THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

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Vol. XXXVI — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, SEPTEMBER 5, 1942 — 10c a Copy; $5.00 a Year — No. 36

The Nation's Business

Educational Task Vital and Great

With the new deduction plan coming into force this week, pay envelopes will look thin indeed. Some workers have already gone on "strike" protesting the "pay cut;" some have quit jobs. Vital wartime production has been dislocated.

Then a second alarm.

News of the new job control orders appeared in the early afternoon editions of metropolitan newspapers. The orders were to become effective at midnight. In one plant 500 workers that afternoon went to the pay office to give notice of quitting. The following morning some workers just didn't show up for work.

Such incidents, repeated in plants across Canada, would gravely threaten Canada's war effort. They threaten Canada herself with the most poisonous and dangerous conflict between groups of her people.

This situation creates responsibilities of unique importance.

Every labor leader, every worker who has the power of leadership among his fellows and who makes any claim to devotion to worker interests, has a responsibility to explain the elements of the tax deduction plan and to explain why a measure of job control is necessary at this very grave hour if Canada's full weight is to be exerted for victory. (By misinterpreting the purpose of the job controls and charging sinister implications, the C.C.F. does all workers and Canada a gross disservice.)

Government officials administering the new job regulations have a very grave responsibility to execute their new powers efficiently and, above all, equitably.

Elliott Little, manpower boss, has fired a good many of the men in the unemployment offices before this new task of administering the manpower regulations was assigned to these offices. It is to be hoped his firings went far enough; that the remaining staff and the new staff added has the tact and understanding of human beings that will enable them to do their vital task well.

Employers, especially, have a particular responsibility and a unique opportunity. Many Canadian plants and firms are today having no trouble either about the tax deductions or about job controls. In several such cases known to The Financial Post, the firms have been engaged on a careful educational campaign among their employees for at least the past month.

When the hard reality hit this week, the employee was prepared for the blow, hence it didn't hurt nearly as much, hence he didn't do anything that damaged his own best interests or the war effort.

Coming months of adjustment to the new system, and to the new and reduced standard of living, will be full of stresses and strains. Employers will fulfil their duties to their country, to their workers and to their shareholders in the measure of devotion they give to winning co-operation for the new plan.

Like price control, the new manpower mobilization is too big for enforcement by force. To do so, every tenth or twelfth Canadian would have to be made a special informer and policeman. Price Control works, by and large, because the great majority of Canadians agree in principle with the aims and patriotically obey its regulations. Success of the manpower plan will likewise depend on public support for its aims.

CBC PROPOSAL NOT REASSURING

No clear definition of the distribution of executive authority in the new setup for the Canadian Broadcasting Corporation is yet forthcoming. Hence it is impossible to know whether the previous weakness of divided and confused authority in the CBC administration would be improved by the change proposed to the Cabinet by the CBC Board of Governors.

But appearances are not too reassuring. Major Gladstone Murray is to get a new job at a reported salary of $14,000 a year. Dr. A. Frigon's job would seem to be unchanged and his salary is reportedly to be raised to $14,000. Professor J. S. Thomson would be brought in from the University of Saskatchewan reportedly at a salary of $15,000.

Since Major Murray's first demotion, about 18 months ago, and the elevation of Dr. Frigon to the position of joint general manager the CBC has had in effect two general managers.

Under the new setup observers fear that in effect there would now be three general managers. This is not in the direction of wisdom or of efficiency.

There is no sign whatever that the Government intends to strengthen the CBC's Board of Governors. They are appointed to act as the trustees of the Canadian people. Yet the evidence before the recent parliamentary committee makes it clear that the Board of Governors had seriously failed to grasp its obligations. Professor Thomson, as a member of that Board of Governors, must be presumed to have concurred in or condoned the policy of the Board. In his new position, of course, he may demonstrate abilities which did not find means of application through the Board of Governors.

The sacrificial goat in the charges would appear to be Ernest L. Bushnell, since inception of the CBC, national programme director. In recent years most of the burden of operating the English network, planning programmes and policies has devolved upon him. His abilities as an administrator and a showman have been widely recognized. Major Murray's new title suggests that he (Murray) is now to be assigned to the important job long done by Mr. Bushnell. Either Bushnell moves downward, out, or, it would appear, that two people will be trying to do one man's job.

Altogether, the proposed CBC changes have all the ear-marks of a Mackenzie King Special—a settlement that defers meeting issues till sometime later.

CENTRAL CONTROL FOR NEWSPRINT

Centralizing control of Canada's $400 million newsprint industry appears, on the surface, to be just another phase of our "planned economy." But there is more to it than that. For several years operations have been stabilized through the Newsprint Association of Canada.

Naturally there may be some eyebrow lifting and criticism of more government planning in the news that the Association virtually will be abandoned for the time being and control centralized with the Newsprint Administrator. There is a sound practical reason for this. Normally the great majority of mills in this country follow the dictates of the Association, but there is an important part of the industry, especially in Ontario and Quebec, which operates independently though co-operating on certain common policies.

This divided control might have gone on for some time without change had it not been for the development of the manpower and hydro power problems. The need for diverting both men and power from newsprint to war industries and the armed forces raises a number of fundamental issues which could not be solved through any existing agency. Therefore, the need of greater centralization of control which, in this instance, can best be done through the Newsprint Administrator. With confidence in the administrator, Canada's entire newsprint industry, for the first time, comes under one directing head. If the arrangement works out successfully, then the industry will have overcome one of its greatest problems—how to act in unity for the common good. This was something it has never been able to accomplish on its own initiative.

PRP Muddle Shows Signs of Clearing

Canadian Firms' Position Clarified Following U. S. Internal Shakeup

By STAFF WRITER

OTTAWA.—As the clang and confusion of Donald Nelson's struggle for production control subsides at Washington, some semblance of a new priority pattern in Canada is beginning to emerge.

Just this week, officials received word that Washington had okayed a "supplementary" catalogue of Canadian munitions requirements now eligible for "re-rating" in line with the extended and inflated priority front which Washington has concocted in recent weeks.

This was followed with the report of a full-fledged War Production Board priorities branch to be located in Ottawa. Joseph Tucker, of Oliver Form Equipment Co., is slated to head the important Canadian office.

This brings to something near the $200 millions mark the value of materials and components which Canada requires in the United States and which have now (belatedly) been moved up into line with the new U.S. priority preference ratings.

"WPB vs. ANMB"

While the War Production Board vs. Army-Navy Munitions Board control fight was waging at Washington, Canada stood confused and questioning on the sidelines. Having geared our priority assistance programme some weeks ago to the U. S. "PRP" and Allocations Classification System (end use symbols) this country was vitally affected by the rise or fall of WPB prestige and authority since PRP and ACS were both devices adopted by WPB as a means of clarifying and accelerating the existing priority rating plan.

But, late in June, the U.S. Army authorities, alarmed apparently by the trend of production in munitions needed to complete the 1942 U.S. presidential "objectives," instituted a new set of "super" priority ratings which were, in effect, merely "inflating" the earlier pref-

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Bank Debits Show Large Increase

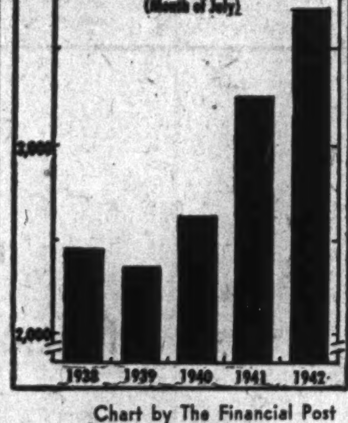

Chart by The Financial Post

Although their staffs have been greatly depleted by enlistments, the services rendered by the chartered banks has increased enormously since the war.

Cheques reported by the 33 clearing house centres in Canada in July at more than $3.7 billions were 14.3% higher than in the same month last year. Compared with July, 1938, these bank debits have risen more than 50%.

Canada's War Production Czar

Harry J. Carmichael has tackled big jobs before—but not as big as the post in which he finds himself following the recent shuffle in the Department of Munitions and Supply. Former director general of gun production, he is now supreme co-ordinator of war production for Canada, faced with the tremendous task of co-ordinating all the industries of the Dominion to get maximum output of armaments. Not yet 50, he was born in Connecticut, started his career 30 years ago as a pattern maker at the McKinnon plant in St. Catharines, where he was given a job because he was a good baseball player. He became president of McKinnon Industries, and vice-president and general manager of General Motors of Canada. His new appointment places him beside Donald Gordon, price czar, and Elliott M. Little, manpower boss, as a top figure in war administration.

How U.K's Miracle Men Work

Maclean's Editor Tells How Clean-up Is Done

In company with other representatives of the business magazine, farm and daily press of Canada, Mr. Moore is now in Britain gathering first-hand information for Canadians on the Canadian army overseas and wartime life there.

By H. NAPIER MOORE
Editor, Maclean's Magazine

AT A SOUTH COAST BRITISH TOWN—Visiting here with a group of Canadian editors, I saw an actual demonstration of the way British civil defense workers pitch in when there is a bombing raid. You've heard of "miracle men." That's the best way to describe them.

Two German planes roared out of the afternoon sky and skimmed over the rooftops of the town, spraying the streets with their machine guns. Riding in one of the automobiles on which they tried their marksmanship were J. B. Bickersteth, formerly warden of Hart House, University of Toronto, and Major Cliff Wallace, formerly Toronto newspaper executive, both now attached to Canadian Army Headquarters in England.

The driver zigzagged from side to side, like a hare eluding a hound, and none of the bullets so much as punctured a tire.

Before disappearing, the Nazis planted a bomb in the court of a large apartment block.

It did a good deal of damage, but when A.R.P. officials took me through the building the following morning things had already begun to resume their normal appearance.

Here's how the job was tackled—

Within 30 minutes of the explosion, the casualty clearing services had finished their task, the A.R.P. had established an information office in the ruins, and the Food Ministry and Housing Representatives were arranging supplies and accommodation for those who were bombed out.

At the same time, the Assistance Board was providing the people with money for their immediate needs, and the Salvage Board was directing the disposal of debris.

Within an hour, workmen summoned by the snowball call system were knocking out broken windows and propping up walls and balconies and stairs.

By six o'clock the following morning, 300 workmen swarmed over the building. They had the debris pretty well cleared away by 11 o'clock and were actually fitting in new windows. The speed, the clockwork precision with which they worked, was enough to take your breath away.

Perhaps one reason for this efficiency lay in the fact that most of the town's leading businessmen are in the A.R.P. Not only are they well trained in A.R.P. methods, but they have put their business experience to good use in co-ordinating the various organizations so their efforts dovetail smoothly together.

The people of the town termed the strafing of the streets and the bombing a "minor incident." To a Canadian, recently arrived, that seemed an understatement—to put it mildly.

Steep Rock Filing S.E.C. Statement

Filing of statements with the Securities Exchange Commission at Washington re a proposed $7½ millions bond issue was expected to be completed by Steep Rock Iron Mines this week, The Financial Post is informed. How long before approval would be secured from the SEC is difficult to say, but it is thought registration might become effective about Sept. 20 or 30.

Registration with the SEC is understood to be one of the last details to be ironed out before bond money can be placed in the Steep Rock treasury to start work. In negotiations as intricate as those of Steep Rock there is always the possibility of some adverse factor developing but at the moment the road seems clear for the enterprise to go ahead.

Transit Problem Critical

Traffic Jumps While Sources of Equipment Close

By IAN SCLANDERS

Transit Controller George Gray finds his problems growing constantly tougher.

The number of passengers carried by street cars and buses is rising steadily—has taken a particularly sharp jump since motorists felt the impact of rationing—and it is next to impossible to get the equipment required to handle the traffic.

The situation was bad last winter, will be worse this winter, but just how much worse depends on the success of plans for further staggering of hours, for sweeping measures of traffic control, and—perhaps—for a "group riding" scheme under which concessions would be made to car-owning war workers who undertake to drive fellow employees.

Meanwhile, a detailed survey is being carried out in every war plant in Canada to ascertain how many workers travel to work by street car, how many by bus, how many by train, how many by automobile, how many by bicycle, and how many on foot.

Since the start of the war the number of passengers carried and miles travelled by buses and trams has almost doubled. In some cases it has more than doubled.

When gas rationing came into effect in April, street car and bus traffic in Vancouver was running from 15 to 20% over that at the same date in 1941. In July it was 25 to 30% higher than in July a year ago.

In Winnipeg, when rationing started, street cars and buses were carrying 15% more traffic than at the same time in 1941. This rapidly went to 24% over the same date in the previous year.

Following are approximate traffic increases which followed rationing:—

Windsor, up 36% from the same date a year ago at April 1, now up 50 to 65%.

Hamilton, up 30% at April 1, now up 35 to 40%.

Toronto, up 18% at April 1, now up 25%.

(Continued on page 2, col. 7)

Home Front Gaps Shown at Sorel

Walk-out Highlights Shortcomings of Tax Publicity; Officials Concerned Over Impact of New Payroll Deductions on Labor

By KENNETH R. WILSON

OTTAWA.—This capital is flexing its muscles and steeling its heart for what may well prove one of the supreme tests of Canada's war effort.

The flare-up at Sorel Industries a few days ago brought into the open what many officials have been fearing—possibility of an open revolt of wage earners against the new tax-saving programme. Impact of payroll deductions will now be felt for the first time.

Ever since the federal budget was announced June 23, it has been obvious that the programme represented a realistic fiscal approach to total war, which placed Canada in many respects ahead of Great Britain, and which would require the utmost cooperation of Canadians in order that it succeed.

Belated Campaign

Belatedly, in the last few weeks, Ottawa has been hurrying to tell this story to workers, householders and worker representatives. From the National War Finance Committee, the Income Tax Department, and the lips of the Finance Minister himself has come the story of what is being done and what is required. The campaign includes newspaper and magazine advertising, radio shorts, pay envelope stuffers, a printed message to every householder, news items, broadcasts, house organ tie-ups in industrial plants and meetings with worker representatives.

Whether it has been broad enough, has had enough "grass roots" approach, or was undertaken early enough to head off a tide of worker resentment and criticism of the new tax-saving proposals, is the question which will only be answered as the new imposts come into effect and during the next Victory Loan campaign, now scheduled for mid-October.

One potent weapon in Ottawa's campaign is the fact that the amount of the new taxes has been overplayed in popular conception and understanding. Here are the facts:

1,600,000 Taxpayers

Ottawa expects 1,600,000 individual taxpayers in 1942. This compares with about 875,000 in 1941, and 651,000 in 1940.

Of the 700,000 or 800,000 new taxpayers who will pay income taxes this year for the first time, it is probable that at least 40% will be young people with no dependents earning, under war conditions, somewhere between $660 and $1,000 a year.

In England these workers are taxed from 12 to 15% of their income, before refundable taxes. The British taxes start, in fact, at the $400 income level.

After allowance for refundable credits, the Canadian levy ranges from zero to less than 10%, as compared with corresponding figures of five and 13% in the U. K. Married wage earners in Canada, in the most important or "average" wage earner groups, are much more lightly taxed than in Britain.

Wartime Information Tackles U. S. First

By STAFF WRITER

OTTAWA.—First job to which Charles Vining's new Wartime Information Board will turn its hand is the establishment of a new information service in the United States. Headquarters will be at Ottawa, but offices are to opened in Washington and New York. They will "collaborate" with the Canadian Legation at Washington.

Reason that emphasis is being placed on the U. S. information is that in Canada there is already an established, well-ordered information bureau under Herbert Lash.

It is felt that there is no immediate need for changing the Canadian organization, whereas the U. S. offices are a matter of increasing urgency. It was this U. S. information set-up which was the original concern of Mr. Vining a year or two back when he first submitted his views, privately, to members of the Dominion Cabinet. The original Vining proposal ran into Ministerial opposition at Washington, and was finally sidetracked by the Prime Minister.

One important problem which may be solved within the near future (probably with the publication of the official Order-in-Council establishing the new Information Board) is the disposition of such "information" agencies as moving pictures and radio, now grouped with the Department of National War Services. The earlier plan, conceived and incorporated into the revised National War Services establishment, was to link these various branches of "public information" together under one Minister.

Whether these are to remain under Mr. Thorson, to keep some semblance of departmental "inventory" on his rapidly thinning shelves, is apparently not yet decided. The betting at Ottawa at the moment is that no disposition will be made of these branches.

Need 14,000 Women By Next March

OTTAWA.—Calling up of the first class of 70 WRENS at Ottawa this week points to the rapidly expanding needs of the three armed services for women.

Present and projected enlistment of women in the three services is computed as follows:

Army: (WAACS)

Present enlistment: about 5,000

Projected Needs: 10,000 by end of 1942. 14,000 by Mar. 31, 1943.

Air Force: (WAAFS)

Present Enlistment: 5,500

Projected Needs: 500 to 600 a month with total force of 15,000 by Dec., 1943.

Navy (WRENS)

Present Enrolment: 70

Projected Needs: 3,000 by Sept., 1943; 7,000 by Sept., 1944.

Thus Canada has now nearly 11,000 women in uniform; expects to have over 25,000 enrolled by March, 1943.

Canada in Two World Wars

In Four Years 1914-1918

Army

Canada sent overseas 418,052 men to comprise its forces.

Canada had under arms in Canada 36,533 men.

Canada had four divisions, plus Corps troops, in France.

Canada had no armored troops in action in the last war.

Canada had a complete cavalry brigade in France. All field artillery was horsedrawn.

Air Force

Canada enlisted 21,169 men for the Royal Air Force, of whom 12,902 went overseas. There was no separate Canadian Air Force. We set up 12 training fields and centres and trained and sent overseas 2,539 pilots. Total cost of planes, centres and training was $40 millions.

In Three Years 1939-1942

Army

Canada has overseas more than 200,000 men. The Active Army—all of whom are being trained for overseas service wherever needed—comprises 320,000 men.

Canada's Reserve Army (for home defense) comprises 130,000 men.

Canada has three infantry and two armoured divisions overseas in addition to two army tank brigades and thousands of ancillary troops and reinforcements. Two other divisions are being assembled in Canada.

There are nine horses in the Canadian Army today.

Air Force

Canada has 115,000 in the Royal Canadian Air Force. It is paying $750 millions or one-half the cost of the expanded Commonwealth Air Training Plan and is providing 80% of the students.

(Continued on page 3, col. 2)

Chart by The Financial Post

Western wheat growers are facing an acute storage problem this fall. The new crop now being harvested will run around half a billion bushels and total commercial storage capacity, approximately 600 million bushels, is already well filled with carryover from last year. Moreover in the storage figures mentioned and in the chart above no allowance is made for necessary working space in the country's elevator system nor for the storage of coarse grains, barley, oats, etc., which this year promise a record crop. Total production of all grains in Canada this year will run well over 1.2 billion bushels.

MEN'S SHOP

FINE APPAREL FOR MEN

TOPCOATS

OF TAILORED DISTINCTION

You can not only count on the expert tailoring of topcoats from the Men's Shop—but you have the satisfaction of getting good quality woollen materials as well—the two most important factors from the standpoint of appearance and wear. Choose from a wide selection of styles—raglans, fitted models in bold and tweed effects, as well as more conservative tones.

CANADIAN MADE TOPCOATS each 37.50 to 55.00

ENGLISH MADE IMPORTS each 40.00 to 85.00

See too, our complete range of Ready to Wear Suits 29.50 to 45.00

Free Parking While Shopping

The Men's Shop

Civil and Military Outfitters

at EATON'S - COLLEGE STREET

The War and Business . . .

The U. S. Commandos

Commenting last week on the Dieppe raid, the participation of U. S. troops was referred to in The Financial Post as "fighting observers . . . fighting only if they had to, in self-preservation." This description was, it now appears, incorrect.

Although only a handful of Americans participated in the raid, those that did were full-fledged participants — men who had been training alongside British Commandos in the same way that Canadians have been trained.

The term Commando has a Boer war derivation. The Americans wanted a name with a distinctly American background so they picked on Rogers Rangers of Lake St. Francis and pioneering fame as another group of "tough, resourceful fighters," and use the name Ranger.

The Rangers of the United States Army are training with the Commandos now. Each Ranger is assigned to a veteran soldier of the Commandos. They live, eat, work and play together.

* * *

A New Crop

Before the war most of the mint oil used in the United States came from the Orient, Germany or England. With imports practically cut off, there has been a great boost in the production of the mint crop in the United States itself. Indiana is now one of the leading producers. This year's acreage is estimated at about 40,000 or about 25% larger than the total prewar area. Gross yield is estimated at approximately $500 per acre, each acre in Indiana yielding between 50 and 60 lb. of oil valued at approximately $9 to $10 per lb. Farmers handle the crops somewhat like alfalfa, cutting it when the oil content is highest and curing it in the sun. From there it goes to stills where it is steamed and the oil extracted. There is no record of any large commercial acreages in Canada.

* * *

Women's War Dress

The huge influx of women into war work has led the Industrial Accident Prevention Association to offer special advice to the feminine sex in, of all things, the matter of dress. In a nutshell here it is:

"Roll your sleeves; take off flowing neckwear; have no loose ends to catch; wear a hair net; wear low, flat-heeled shoes; dress for your job."

* * *

Butter Stocks Low

Whether or not Canadians will have butter rationed next winter will largely depend upon how much surplus of this commodity can be produced in the next few months and put into storage. Normally Canadian winter production is substantially bolstered by cold storage stocks to meet current consumption. This year, due to sharp increases in the demand for butter and more milk going into cheese, there has been little accumulation for storage. Early in July, to correct the situation, the government offered a subsidy of 6 cents per pound butter fat for all cream delivered for the manufacture of creamery butter. This has tended to divert a considerable quantity of cream to butter production and now storage stocks are beginning to accumulate.

* * *

Strategic Northern Railways

Canada's northern railroads are now conceded strategic value by American observers. The Whaley-Eaton Service from Washington has this to say:

"The shortest and best supply routes to Russia are in the Northern Sea. Canada bulks large in the picture. There is a rail line to Churchill on Hudson's Bay and another runs due north from Toronto to Moosonee on James Bay. These can be of great value in the existing war situation."

Economy Office May Become Potent Force

Some See It as First Step in Setting Up an Effective Cost-cutting Mechanism

By STAFF WRITER

OTTAWA.—Appointment of Col. John Thompson as Director of Government Office Economies Control is looked on here as the opening wedge in what it is hoped may grow into a virile, effective cost-cutting mechanism.

Since the Division of Government Office Economies Control was announced, there has been considerable criticism that it lacks the authority and scope to do a full-sized job—in short that a boy is being sent on a man's errand.

To this the new division's sponsors reply that government economy, even in wartime, has to be approached very gingerly. Most departmental votes and appropriations, it is pointed out, are still a private preserve, stoutly defended against all comers. Even with a war on, there is more glory in Ottawa for a minister who can show that appropriations have been expended, than to one who slashes and economizes and comes back next year to the Treasury Board with his allowance only partly used.

It is not denied that the new economy organization takes cognizance of this fact, and that it will creep and toddle before it attempts the difficult task of standing firm and resolute against powerful departmental interests.

Printing Volume Huge

As yet there is apparently no clear picture of what can be achieved, and the exact size and nature of the job that must be tacked. Reference to the last report of the Auditor-General discloses that in the year ending March 31, 1941, the volume of printing and stationery handled or placed by the King's Printer totalled between $7 and $8 millions. More than half of this was done outside the department by outside firms, and balance handled by the department itself.

It is reported that since its formation was announced last week a substantial number of orders for publications which the King's Printer would otherwise have been duty bound to produce, have been referred to the new director for his approval.

Will Act as Buffer

The division is expected to act as a buffer for orders by government departments in respect of office supplies, furniture, equipment, office machines. But here there is a proviso excluding from its authority "the purchase, requisition, or storage of office supplies, furniture or equipment or office machines under the control and direction of the Minister of Public Works."

Last published figures show that volume of office supplies and equipment purchased by this authority in the fiscal year ending March 31, 1941, was somewhere between $1 and $1.5 millions. As with public printing and stationery, the current amount being expended on new and expanding war departments is considerably in excess of that figure.

HOLD HIGH THE TORCH OF FREEDOM

BANK CREDIT ESSENTIAL TO DEFENCE

Loans needed to further Canada's war efforts naturally have priority at the Bank at this time. However, commercial credits for normal constructive purposes are being supplied as usual.

The maintenance of a sound, smoothly functioning, normal-times economy is fundamental to national defence—and banking service has an important part in such maintenance.

No matter what your line of business, you are invited to discuss your financing problems with the manager of our nearest branch.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . the Outcome of 124 Years' Successful Operation

Transit Problem Becomes Critical

(Continued from page 1)

Halifax, up 30% at April 1, now up 45 to 65%.

It should be remembered that at April 1, 1941, street car and bus traffic was already far above what it had been before the war, and a good deal higher than at April 1, 1940.

What gas rationing did to interurban travel is indicated by reports from three of the major interurban bus lines.

Gray Coach Lines was carrying 30 to 40% more passengers at April 1 than at the same date a year ago. After rationing the increase went to 50%. Provincial Transport was carrying 40 to 50% more, and now is carrying from 50 to 80% more. SMT, in the Maritimes, was carrying 45% more than in 1941 when rationing started, and is now carrying 60 to 70% more.

If "AA" ration books are introduced shortly giving the private motorist an even smaller gasoline allowance, it seems certain that there will be another sharp jump in street car and bus traffic. In some quarters there is a suggestion that this may be offset by "group riding," with workers in war plants, who own automobiles, getting a special gas ration provided they agree to drive four fellow workers to and from work daily.

Officials will make no comment on this report, although it is understood the plan is being given serious consideration.

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Dominion Coal Co. Output Rises in July

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. reports July production at its Cape Breton and Springhill collieries amounted to 377,433 tons. This contrasts with 307,885 tons in June and 326,932 tons in July, 1941.

Cumulative output of the company's collieries for the seven months ended July was 2,756,409 tons, compared with 2,621,035 tons in the like 1941 period.

Little Opens New Branches

By KENNETH R. WILSON

OTTAWA. — A greatly enlarged and expanded establishment of National Selective Service offices throughout Canada has been created to handle the new manpower regulations issued from Ottawa by Elliott M. Little this week. Within recent weeks 75 new offices have been established bringing the total number in Canada to 195. The new offices have been established at the following points:

Prince Edward Island—Summerside.

Nova Scotia — Bridgewater, Inverness, Springhill.

New Brunswick—Bathurst, St. Stephen, Woodstock.

Quebec—Acton Vale, Asbestos, Baie St. Paul, Beauharnois, Buckingham, Causapscal, Chandler, Coaticook, Cowansville, Dolbeau, East Angus, Jonquiere, Lachute, Longueuil, Louiseville, Magog, Maniwaki, Megantic, Mont Laurier, Montmagny, Montmorency, Nicolet, Plessisville, Port Alfred, Richmond, Rimouski, Roberval, St. Agathe, Ste. Anne de Bellevue, St. Joseph d'Alma, Ste. Therese.

Ontario — Arnprior, Bracebridge, Brampton, Carleton Place, Cobourg, Collingwood, Dunnville, Fergus, Fort Erie, Gananoque, Goderich, Hawkesbury, Ingersoll, Kapuskasing, Leamington, Listowel, Midland, Napanee, Newmarket, Orangeville, Paris, Parry Sound, Perth, Picton, Port Colborne, Port Hope, Prescott, Renfrew, Sturgeon Falls, Trenton, Walkerton, Wallaceburg, Weston.

Manitoba—Selkirk, The Pas.

Alberta—Blairmore.

British Columbia—Trail.

These offices will, it is now expected, remain under the administration of the Unemployment Insurance Commission but will be directed as to manpower policy by National selection service officials.

One important matter of policy included in the Little announcement this week is that matters of appeal from decisions of the local National Selective Service officers will be handled by the 13 regional National War Service Boards which have been functioning for some time under the Department of National War Services. This is the first official intimation of the new relationship which it is expected will be worked out to co-ordinate the work of these two authorities which heretofore have been competing rather than co-ordinating in respect of manpower channelling and allotment.

It is anticipated that this appeal feature will remain as now outlined for some time, probably indefinitely, irrespective of what happens to the NRMA organization now slated to be absorbed by National Selective Service within the next two or three weeks.

New Job Control Order Already Curbs Floaters

The new job control order issued by Ottawa this week is already credited with curbing unnecessary movement of labor. Questioning Canadian businessmen, representing a cross-section of trade and industry, The Financial Post gets reports that when Monday afternoon newspapers came out with the job-fixing news, relatively few employees walked out. Those who quit on the spot, it is said, were practically all "drifters," workers who have been jumping from one job to another, continually looking for some advantage. Believing that they would be frozen indefinitely in their present jobs after midnight Aug. 31, they quickly figured that they had better get out while the getting was good.

In practically all cases where this happened employers do not seem to be worrying. The number that left was usually limited and the older employees on whom the main weight of production falls stayed on the job.

Misconception of the effect of the new order was evident among many of those who quit their jobs without notice. The order actually calls for a seven-day "cooling off" period before an employee can leave of his own volition or be discharged.

The day following the official order, which was made jointly by Labor Minister Humphrey Mitchell and Elliott Little, director of national services, the Toronto office of National Selective Service authorities was buried under a deluge of workers and would-be workers who spilled out of the building into a four-deep line that extended for half a block. This office usually handles about 140 registrants a day. On Tuesday it poured through 1,500 in the morning alone. Two thirds of that total were women, a fair percentage were young lads yet to get their first jobs, most of the men came from the lower income strata.

At Montreal

The Montreal regional office of the Unemployment Insurance Commission was literally swamped by both men and women seeking information on the government's new labor policy.

According to J. M. Lymburner, Jr., regional superintendent, quite a large number fearing they were to be frozen in their jobs gave their notices on Aug. 31 and then came to the commission to secure permits. "They seem to believe that by coming in now they can select their own plant to work in. By leaving their jobs and spending the day here they are merely disrupting industry and achieving just the opposite to the desired effect."

Enquiry among several of the large industrial employers in the area indicates that labor turnover since Prime Minister King made the first manpower announcement a fortnight ago has not been abnormally large.

General Steel Wares — This company has now anticipated its April 15, 1944, serial maturity of $225,000 domestic-pay 3½% bonds. With this retirement, funded debt is reduced to $5,452,000, composed of $675,000 in 4% bonds, maturing 1945-47 inclusive and $4,777,000 in 4½'s due 1952.

Power Corp. of Canada—Financial statement for the year ended June 30 last, which is expected shortly, will show relatively little change in position. Earnings on the common stock are said to total around 45 cents a share, as against 52 cents a share the year before.

Banking Service

1817-1942

BANK of NEW SOUTH WALES

Head Office: Sydney, Australia

General Manager: SIR ALFRED DAVIDSON, K.B.E.

Assets of £150 millions. Over 870 branches in Australia, New Zealand & Pacific Islands.

London Offices at 29 Threadneedle St., E.C.2. and 47 Berkeley Square, W.1.

Agency arrangements with Banks throughout Canada.

Priority Plan Shows Signs Of Clearing

(Continued from page 1)

erence ratings in use both in the United States and Canada.

Five "Super Ratings"

Original ratings on military requirements ranging from AA down to A-1-k were sidetracked for new super ratings (AAA to AA4) effective originally in the U. S. on July 15. Thus, to qualify for "green light" treatment under the new ANMB ratings, millions of new purchase orders were required to be "re-rated." (One company alone had to re-rate some 61,000 purchase orders. In all, a total of between $33 and $50 billions of munitions orders were involved.)

Another complication was that under an amended order of Aug. 10 the new super ratings, AA1 and AA2, were combined, and a new special rating (AA-2-X) was inserted for essential civilian needs. Thus there were in the United States five "super" ratings—AAA; AA-1 (with which is combined AA-2); AA-2-X, AA-3; AA-4.

WPB on Top

To further complicate the chaotic uncertainties of the July-August priority muddle there has been the bitter and undisguised rivalry between Washington's War Production Board (civilian) and the Army-Navy Munitions Board (military) authorities as to who should have final say in determining and allocating munition priorities. Now that Donald Nelson's WPB is for the time being on top of the heap, a new and refined PRP procedure has been announced at Washington which is presumably the plan with which Canada will conform.

In essence, the new PRP procedure to be followed during the fourth quarter calls for PRP forms to be made out in triplicate with one copy sent to the U. S. Bureau of Census where indicated total material requirements will be tabulated in terms of more than 200 "end use" classifications.

Another copy will be sent direct to the branch of WPB responsible for processing the material. Here, a tabulation of material requirements of all industries and companies assigned to that branch will be made. (Thus a PRP application affecting airplane parts would be sent to that branch so that the airplane group will be in a position to tabulate all the requirements of its individual companies and industries.)

Subsequently, both the Bureau of Census and the individual industry reports will be submitted to a Requirements Committee headed by James Knowlson, vice-chairman of WPB on programme determination, and which includes all claimants for material (Army, Navy, etc.). It is this committee which will attempt to divide up the "pie" in light of known requirements and estimated supplies.

FEATURES

in the September issue

THE CANADIAN CHARTERED ACCOUNTANT

The destruction of old records as a wartime measure

Money matters in the R.C.A.F.

Judgment respecting Income War Tax Act — Walkerville Brewery case

1942 amendments of the Income War Tax Act and The Excess Profits Tax Act

Cost-of-living bonus order

Economic notes—Land classification

Current accounting literature

Published monthly. $3.00 per annum. Subscription open to all. Publication Office, 10 Adelaide Street East, Toronto.

SCHOOLS AND COLLEGES

PICKERING COLLEGE

NEWMARKET, ONTARIO

A Residential School for Boys

EDUCATIONAL PRIORITY

In a time of increasing necessary economy it is unwise to curtail expenditure on genuine necessities. More so than ever before an all-round education for your boy is an "A-1 priority". It is the endeavour of Pickering College to provide such an education as will enable the citizens of tomorrow to face the future with capacity and confidence.

For full information write the Headmaster, Joseph McCulley, M.A.

AUTUMN TERM OPENS SEPT. 15th

Canada in Two World Wars

(Continued from page 1)

Navy

Canada's Navy numbered about 140 vessels, including 2 small cruisers, and a personnel of 4,374 at the armistice.

Munitions

Canada produced and shipped $1,000 millions of munitions and material overseas.

The largest shipments in any year totalled $388 millions.

Canada launched during the war 103 cargo ships of a tonnage of 367,367, and a value of $70 millions. We built about 25 submarines and around 1,000 small naval craft.

Canada built 2,921 training airplanes and 30 flying boats.

Canada made rifles, shells, fuses, small arms ammunition, explosives, chemicals, and personal equipment.

Canada shipped 11,250,000 tons of freight to Britain in the last war.

Canada sold $232 millions of munitions to the United States.

Money

Canada spent $1,324 millions directly on the last war to March 31, 1919.

Canada raised $1,408 millions by sale of war loans, to March 31, 1919.

Canada sold $220 millions of war loans in the United States.

Canada's annual Dominion taxation per capita reached $28 by 1918.

Canada raised 47% of its national budget by taxation.

Navy

Canada's Navy by the end of 1942 will number over 500 ships, including 75 corvettes, more than 12 armed yachts, 24 Fairmile motor boats, from 12 to 20 destroyers, and 44,000 men.

Munitions

Contracts awarded to date exceed $2,454 millions.

Contracts placed and commitments made on U.K. account for "stores"—and under the Plant Extension Programme, together with orders for the output of these plants, exceed $2,047 millions.

Over 200 naval ships have been delivered and 700 more are on order or under construction. 14,000 small boats have been ordered since the start of war. Contracts placed for 172 cargo boats.

Canada is building about 4,800 planes annually of 9 types, including bombers, fighters and patrol craft.

There are 40 plants making shells and many others engaged in producing the components.

In this war Canada is making these plus naval and field guns, AA guns, anti-tank guns, machine guns, tanks, fighting vehicles, destroyers, scientific, radio, and hundreds of other articles.

Canadian ships have conducted over 55 million tons to the U. K.

Canada has sold over $400 millions of munitions to the U. S.

Money

Canada will have spent $5,222 millions directly on this war to March 31, 1943, in addition to $1,995 millions financial aid to Britain.

Canada has already raised $2,100 millions by sale of war loans and war savings.

Canada has issued no external bonds in this war.

Canada's per capita Dominion taxation this year will exceed $178.

Canada plans this year to raise 53% of its national budget by taxation.

CANADA

DEPARTMENT OF LABOUR

National Selective Service

CONTROL OF HELP WANTED ADVERTISEMENT

On and after September 4, 1942, no person may offer or seek employment through advertisement in newspapers, or by any other method of advertising, unless such advertisement has first been arranged for with a National Selective Service Officer.

Selective service officers are instructed to approve advertising which offers or seeks employment, provided:—

That the name of the prospective employer or employee does not appear,

That all replies are addressed to the nearest employment and selective service office.

These regulations do not apply in the cases of advertising for positions as farm help, school teachers, domestic servants, registered nurses, and certain other exempted occupations.

For full particulars consult any National Selective Service Office.

ELLIOTT M. LITTLE
Director of
National Selective Service

This Week The Financial Post Asks

Should we ban publication of complete casualty lists?

Prof. K. S. Bernhardt
University of Toronto.

The public should have as full information as possible about the war effort but full, detailed casualty lists are probably undesirable.

• • •

A. R. Brennan
Summerside Journal, Summerside, P.E.I.

I consider mass detailed lists of complete casualties published throughout Canada undesirable because they are depressing to some and monotonous to others, whereas the proportion of the people not otherwise influenced in favor of our victory whose morale or determination to help would be benefited appear negligible.

I do feel each area should publish detailed lists appertaining thereto with classified statement of the total number of national losses as the populace would resent the withholding or beclouding of facts. Realization of the seriousness of the situation should harden the great majority of Canadians to exert every national and personal effort to win this war.

• • •

Roger Brossard
Professor of Labor Legislation, University of Montreal.

I consider the publication of complete casualty lists cannot help the morale of Canadians at home and is likely to undermine the morale of a good many. Relatives are always notified and friends will in any event know from relatives.

I believe, however, that the extent of participation of Canadian troops should always be fully told and that the extent of the losses should be generally given. People do not like to be left too much in the dark but they need not be given too much information which may easily encourage pessimism.

• • •

Geo. F. Baynton
Lloydminster Times, Lloydminster, Sask.

With the exception of precautionary measures to prevent valuable information escaping to the enemy no good will come from hiding our casualties. Because truth is strength, virile democracy vouchsafes the individual "to know, to utter, and to argue freely according to conscience." Any departure is a threat to his liberty. For our great forebears democracy was no pap-fed weakling, nurtured with cloistered virtues. It was rough, rugged, tough and strong. Let us hear the worst. The soul of America has been dying for lack of a challenge.

• • •

Harry Clarke
Advertising executive, J. Walter Thompson Co., Toronto.

I cannot see how morale is ever improved by methods that underestimate the capacity of people in the mass to withstand hardship. Any move to ban publication of complete casualty lists in Canada would seem to underestimate such capacities.

Canada may be comparatively new as a nation but morale does not necessarily have its roots in nationalism. In this war, especially, there is no reason to doubt Canadians' ability to stand up under strain.

• • •

George Cran
Business manager, Vancouver Sun.

Certainly we should publish complete casualty lists—they are our honor rolls. Why withhold from grieving relatives the small comfort of public recognition that their dear one or ones had paid the supreme sacrifice. Any banning of lists because of fear of adverse effect on public morale would be an insult to red-blooded Canadians and as such would be fiercely resented.

• • •

Geo. D. Christie
The News, Dalhousie, N.B.

I am convinced that the banning of complete casualty lists in Canada as now practised in the United States should be enacted immediately in the interest of morale. I firmly believe that Canadian morale is undoubtedly weakened with the publication of complete casualty lists, particularly grouped lists from smaller towns where all are grieved as one. The next of kin however, should be notified.

• • •

G. A. Dills
Free Press, Acton, Ont.

I do not believe the banning of casualty lists in Canada would be in the best interests. Surely Canadians at home can take it as well as Canadians in the armed force and the people of England. Families of those who are in the casualty lists are made aware of the loss and in small communities unfounded rumors spread which do more harm than publishing authentic information. Canadians as a whole surely do not need to be coddled to maintain morale. They should be kept aware of the terrible toll of war in human sacrifice—not kept in ignorance as in Germany.

• • •

R. E. Davis
National Council, Y. M. C. A., Toronto.

Casualty lists should be published although with the safeguard that the next of kin are first notified. The families affected would, I believe, be strengthened by such public recognition of the loss they sustained. Moreover, Canadians prefer to know the full truth.

On the other hand, if the facts about casualties are withheld public morale may be weakened. The suspicion quickly spreads that no government report can be relied upon, with the result that general confidence is undermined by stage fears and uncertainties regarding the outcome of the war.

• • •

H. R. Drummond-Hay,
Well-known legal authority, Winnipeg.

I think it advisable to publish complete casualty lists. In the case of heavy casualties I do not think morale is so adversely affected by the facts as it might be by rumors. For example, people here thought there would be many more casualties in Dieppe than turned out to be the case. The Germans quoted much heavier casualties for us than in the case and I think this would happen in any action. I believe in honest and faithful publicity, withholding only such information as would benefit the enemy.

• • •

R. W. Gladstone
M.P. for Wellington South, Guelph, Ont.

I have discussed this matter with several citizens and we are all of the decided opinion that complete casualty lists should be published unless military strategy indicates otherwise in the case of the missing. Without publication the reports of losses spread through conversation and become confused and inaccurate, bringing grief and anxiety to other families of the same name.

Published, accurate casualty lists immediately bring to relatives the sympathy of friends from near and far. Published casualty lists will strengthen the morale of the Canadian people and spur them more than anything else for maximum contribution to the war effort.

• • •

Harry 'Red' Foster
Harry E. (Red) Foster Agency, advertising, Toronto.

Publication of complete casualty lists should not be injurious to the morale of Canada. In any case the next of kin are notified. I am in favor of the publication of complete casualty lists as well as complete authentic news, good and bad, so long as the facts therein are of no value to the enemy.

• • •

John Goodfellow
Similkameen Star, Princeton, B.C.

I think the non-publication of casualty lists bad psychology. The people will suspect the motives behind this policy and an unwholesome atmosphere of suspicion will result. Truth is sometimes hidden from people who are dying. Canada is not dying. To know the extent of sacrifice will stimulate greater effort and determination. Rumor, like evil, flourishes best in the dark. I regard the suggestion as anything but flattering to our people.

• • •

Fred C. Johnstone
International Fibre Board Co., Gatineau, P.Q.

I am entirely favorable to the publication of casualty lists. Hiding facts and glossing over setbacks does more harm than good. Regardless of what methods other countries adopt I believe Canadians want the truth. A hush, hush policy such as banning the publication of casualty lists will neither bolster morale or assist our war effort.

• • •

B. W. Keightley
Advertising manager, Canadian Industries Ltd., Montreal.

The kind of morale that makes for victory is based on a knowledge of the truth, and the truth about war must always hurt. But the fruit of ignorance hurts more in the long run since it leaves people in a fool's paradise. Canadians can stand the truth. Let us have it.

• • •

Russell T. Kelly
President, Russell T. Kelly Ltd., advertising agency, Hamilton.

One of the great needs in Canada today is to draw every Canadian one hundred per cent into Canada's war effort. Some people you can move with reason, some with coaxing, some with driving, some with emotion. My own feeling is that publishing in detail the names of the men who are missing, who are prisoners of war, or who are killed will undoubtedly move some into a more active participation in our war work.

• • •

E. Arnold Logan
The Patriot, Dartmouth, N.S.

Relatives of first Great War victims are still trying to forget those long double columns dressed in black and sent marching down page one like funeral processions.

There are some things in which we must believe. Here on the east side of Halifax harbor we know something about long lines of convoyed ships. We like to think theirs is a victory march. We don't permit ourselves to think otherwise. They don't all reach their destination but we can do without detailed reminders in the newspapers. A hero has never yet asked me to put his name in the newspaper.

• • •

W. E. C. McCauley
Maclaren Advertising Co., Toronto.

I hesitate to question the U. S. ban on complete casualty lists but I do not think Canada should do likewise. I believe such a move would tend to opiate morale rather than strengthen it. Truth even when it hurts puts tougher fibre in most of us.

The certain knowledge that facts are being withheld tends to create doubt, fear, mistrust and other emotions that are morale killers.

It appears best to condition the public mind to news of this kind. Otherwise, if the time comes when our casualty lists reach staggering proportions and the truth cannot be suppressed, it might have the very effect which U. S. authorities wish most to avoid.

• • •

Jas. H. Moore
The Sun, Grenfell, Sask.

I contacted a number of citizens regarding the publication of complete casualty lists. The unanimous opinion is that they should be published in full. So far in this war appears to have been too much suppression of subjects and people led by false hopes of victories. I consider it in the best interests of morale if more stark horrors of war are brought right home. They would make Canadians fully realize what war is. Let us knuckle down without kid gloves.

• • •

H. R. Morgan
Editor, Recorder and Times, Brockville, Ont.

In my opinion the question of whether casualty lists should or should not be published may be safely left with the military authorities. As to morale, this country withstood the publication of very long and frequent casualty lists during the Great War and there is no reason to believe it cannot do likewise in this war. Moreover appearance of these lists may serve to bring home to some people the real nature of the war and remind them that sacrifices abroad must be accompanied by self denial and all-out exertion at home.

• • •

Hugh Whitney Morrison
Head of talks department, Canadian Broadcasting Corp.

I do not think suppression of complete casualty lists would help morale in Canada. My personal impression is that the state of morale in Canada is better than many people give it credit for. I base this impression on letters received from radio listeners in all parts of Canada. I think the way Canadians have taken the Dieppe casualty lists bears this out. It is possible certain casualty lists might have to be withheld because they would be of value to the enemy. Of course this is a separate problem.

• • •

George MacNoe
President, Foster Wheeler Ltd., St. Catharines, Ont.

I do not feel that any information should be published which would tend to aid or comfort the enemy, but I do believe people should be given the truth regarding all phases of the war in order that they may realize the seriousness of the situation, and put forth their best efforts.

• • •

T. W. Offen
The Gazette, Rivers, Man.

I see no reason for banning the publication of casualty lists. The Canadian public is able to face the facts and would prefer the whole truth. Banning of the lists might lead people to suspect that the facts are worse than they are. Canada has pride in the exploits of her sons. I do not think morale would suffer as a result of publication.

• • •

Reg. G. Smith
Vice-president, J. J. Gibbons Co., advertising, Calgary, Alta.

Constantly recurring errors in casualty lists causing unnecessary mental suffering to relatives and friends are the best arguments in my opinion against the publication of complete casualty lists. One small Alberta town with twenty-four casualties had 20% correction days after families were notified.

• • •

J. S. Willis
Head of educational dept., Canada Packers Ltd., Toronto.

I feel strongly that the prompt publication of casualty lists is bound to divulge information useful to the enemy. Therefore as a general practice I feel lists should be withheld or released very gradually if at all.

On the other hand I feel that publication of the Dieppe casualties has had a useful effect by stirring the emotions and bringing dramatically to the attention of Canadians, especially Canadian workers, the sacrifices our troops overseas are making on our behalf.

• • •

Charles S. Watson
Assistant general manager, Canada Bud Breweries Ltd., Toronto.

I believe the publication of casualty lists brings home to citizens the full realization of the seriousness of the war situation and encourages all-out war effort. I am utterly opposed to hush methods of concealing unfavorable news. Canadians can take it.

1500 more IMPERIAL POLICIES to workers in offices

● Among the 8,000 new Imperial Life policyholders last year, more than 1,500 were office workers. They represented many age groups, many kinds of business and, of course, their insurance needs varied also.

Imperial Life wrote policies to match each individual age and need. Policies to guarantee income for dependents, to assure children of a good start in life, to pay off a mortgage, to provide independence in the later years of life—these were some of the reasons behind the purchases.

To these 1,500 office men and women who became policyowners, a new sense of security was provided for themselves and for their families. Their investment gave them peace of mind they could not have won by any other means.

To an increasingly large cross-section of the people of Canada, The Imperial Life is "my insurance company." Why not let Imperial Life protect *your* future, too?

IMPERIAL Life
FOUNDED IN 1897
BRANCHES AND AGENTS IN ALL IMPORTANT CENTRES

Mail Coupon Today

Imperial Life Assurance Company, Head Office, Toronto.

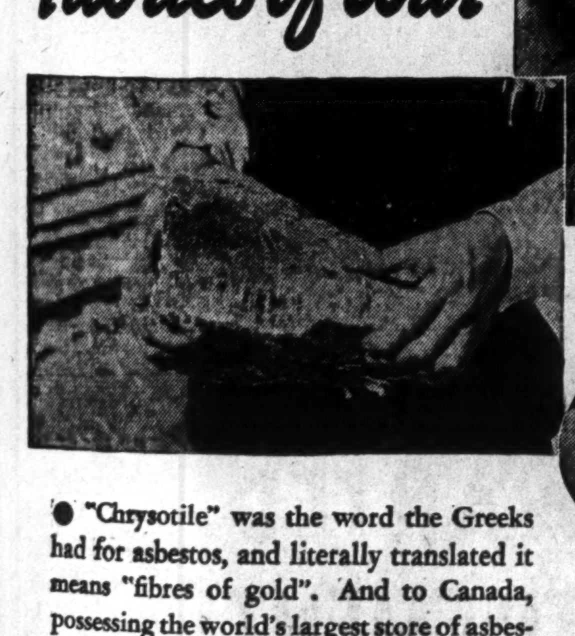
Please send me your booklet "How People Use Life Insurance." There is to be no cost or obligation to me.

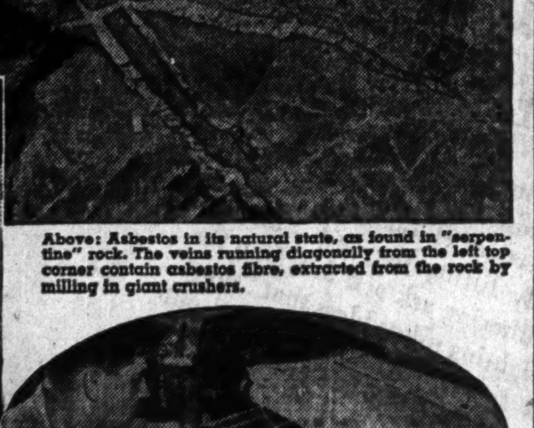
Name.......................................

Address.......................................

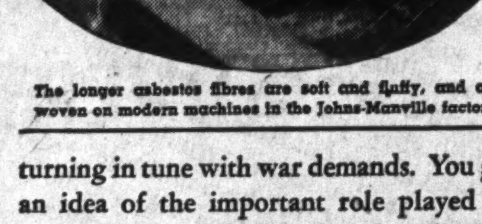
439

Weaving FIBRES OF GOLD into Fabrics of War





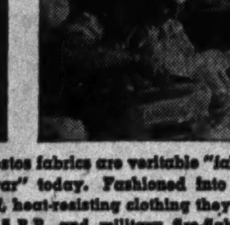
Above: Asbestos in its natural state, as found in "serpentine" rock. The veins running diagonally from the left top corner contain asbestos fibre, extracted from the rock by milling in giant crushers.



The longer asbestos fibres are soft and fluffy, and are woven on modern machines in the Johns-Manville factory.

● "Chrysotile" was the word the Greeks had for asbestos, and literally translated it means "fibres of gold". And to Canada, possessing the world's largest store of asbestos, they are fibres of gold indeed today. Thousands of tons of Canadian asbestos, mined by Johns-Manville at Asbestos, Que., go directly into war materials. Other thousands enter into asbestos products which help keep the wheels of Canadian industries turning in tune with war demands. You get an idea of the important role played by asbestos today from the fact that the J-M mine, mill and factory are all working twenty-four hours a day, seven days a week.

CANADIAN JOHNS-MANVILLE CO., LIMITED
MINE AND FACTORY AT ASBESTOS, P.Q.
MONTREAL TORONTO WINNIPEG VANCOUVER



Asbestos fabrics are veritable "fabrics of war" today. Fashioned into fireproof, heat-resisting clothing they protect A.R.P. and military fire-fighters.

In the navy, army and air force, Canadian-made asbestos "flame suits" serve in the front lines of action.

BT-7

JOHNS-MANVILLE JM PRODUCTS

CANADIAN JOHNS-MANVILLE

• J-M BUILT-UP ROOFS • J-M CORRUGATED TRANSITE SIDING • J-M INDUSTRIAL FLOORING • J-M INSULATING BOARD PRODUCTS • J-M ASBESTOS WALLBOARDS • J-M ROCK WOOL INSULATION • J-M INDUSTRIAL INSULATIONS • J-M REFRACTORIES • J-M ACOUSTICAL SERVICE AND MATERIALS • J-M PACKINGS AND GASKETS AND OTHER ESSENTIAL MATERIALS FOR FACTORY, MILL, SHOP, OFFICE

A Revolutionary New Light* Source

Fluorescent Lamps... the closest approach to real daylight... new in principle... with almost unlimited possibilities

Light produced in an entirely new and different way . . . light that presents possibilities never afforded by any previous source of illumination . . . the revolutionary Mazda *Fluorescent Lamp* —one of the greatest developments in the history of lighting!

This lamp is like no other light source. It gives *cool* light. It gives notably *glare-free* light. It is naturally *diffused* and so minimizes shadows. The "White" Fluorescent Lamp meets the needs of most commercial and industrial applications —the "Daylight" Fluorescent Lamp provides the closest practical approach to daylight. But that is not all. *The Mazda Fluorescent Lamp is by far the most efficient light source yet developed!* It provides more light than was ever thought possible—yet it conserves electricity!

In scores of Canadian war plants, G-E Fluorescent Lighting is already making seeing faster . . . speeding output . . . preventing spoilage . . . eliminating eyestrain and reducing fatigue. To obtain complete information about this revolutionary Fluorescent Lighting—get in touch with your nearest Canadian General Electric office.

GENERAL ELECTRIC
* Fluorescent Lighting

E-148

CANADIAN GENERAL ELECTRIC CO. LIMITED

Packers—Food For Investment Thought

Big Three Companies Show an Interesting Wartime Performance

By ROBERT C. STARK

To Canadian packing companies war has meant a heavily increased volume of business, many stresses and strains in trying to operate under the price ceiling. Holders of packing shares have watched their stock hold fairly well on the market backed by a continuing good earnings performance.

That the packers have been able to put up such a good earnings performance is due solely to their vastly increased volume of business; profit margin is probably at a record low. Good example is Canada Packers which in the year ended March 28, 1940, handled 913 million tons as compared with 1942's 1,228 million tons. Despite that increase of 315 million tons in volume, net profit in 1942 was down some $56,000 from 1940. In 1940, Canada Packer's margin of profit expressed as a percentage of sales was 1.9%; in 1941 it slipped to 1.4%, in the 1942 year it was down to 1.1%.

This narrow profit margin has long been a notable feature of the packers; that it is continuing to narrow is at once a tribute to the packers' wartime efficiency, an indication of some of the troubles they have had to meet, and a source for a little concern to profit-minded shareholders.

Ceilings a Worry

During the past year the position of Canadian packing concerns has been greatly complicated by the imposition of price ceilings. Heavily increased demands both in Canada and from the United States worsened an already short supply situation. The squeeze came through the fact that live cattle sold at prices that packers could not meet and still stay under the ceilings. Only courses open were taking a loss or dabbling in "black market" operations. There was some of the latter but reputable operators took substantial losses.

To help iron out the chaotic situation the Wartime Prices and Trade Board this spring set up a system of fixing beef prices on a zone system across Canada. To assure that cattle were not exported in a quantity to endanger domestic supply, special export buying powers were given Wartime Food Corp.

Bacon Operations Jump

In the bacon end of the industry packing companies have made a substantial contribution toward supplying food to Britain. For the first war year Canada was asked to send 50,000 cwts. of bacon weekly to the United Kingdom; in the second war year delivery was stepped up to 70,000 cwts. weekly; the current contract calls for 600 million lb. or 115,000 cwts. weekly. For next year it is believed the total contract will be for 700 million lb. of bacon, or some 135,000 cwt. weekly.

To meet that tremendous upsurge in demand for bacon has been largely the job of the Canadian West. Answer to that geographic fact is that the West has the grain—it takes six pounds of grain to produce one pound of Wiltshire bacon. After meeting the higher cost of feed from the west, the eastern producer can't show nearly the same profit on hog raising as his western counterpart.

Burns and Bacon

Assumption of leadership in the bacon business by the West has meant rejuvenation for Burns & Co., a Calgary packer in which there is an important investment interest. In 1941 Burns turned in its first net profit since 1937. Showing an operating profit of $1,249,767 from the highest sales in the company's history (1940 operating profit $686,843), this western packer doubled its depreciation writeoff to $663,505, paid $60,000 in taxes against nil in 1940, and reported a final net profit of $97,421 against 1940's loss of $76,371.

From the investment standpoint, Burns & Co. issues are particularly sensitive to changes in the bacon trade. Significant in this connection is renewed buying interest in Burns bonds and stocks since recent announcement of the new 700 million lb. bacon contract with Britain.

The other two important packing companies in which there is a big investment interest show a less spectacular profit performance.

Canada Packers in the year ended March 26, 1942, had a net profit of $1.6 million against 1941's $1.5 million, after paying a tax bill of $2.6 millions against $1.5 million in 1941. Wilsil Ltd. turned in a 1941 net profit of $192,505 after a $175,000 tax provision, as compared with a 1940 profit of $202,547 after paying $137,000 in taxes. In dividend return the story has been $1 a share for Wilsil for each of the past three years, $4 for Canada Packers in 1942 compared with $4.50 in 1941 and $4 in 1940. Burns & Co. pays no dividends.

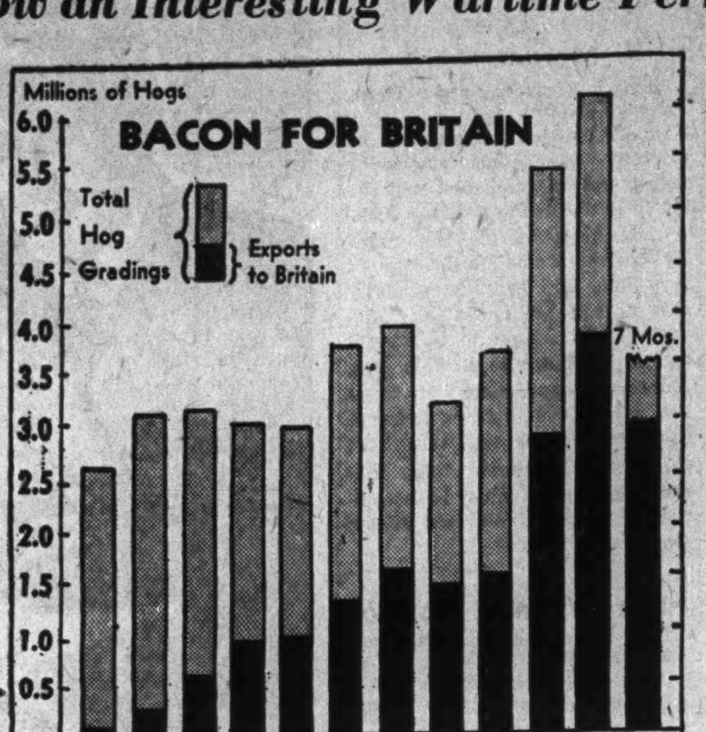


Chart by The Financial Post

While wartime demands have pushed Canadian hog production to levels far exceeding prewar figures, our bacon exports to Britain have shown an even more spectacular increase. To Canadians these heavy shipments abroad have meant less bacon for the breakfast table at home. The industry is just winding up a 600-million-lb. contract with Britain covering the last year, is heading into a new contract that will call for 700 million lb.

Some Common Trends

Examination of the balance sheets of the big three packers shows some common trends.

Funded debt is being reduced. Canada Packers' 1940 statement shows a funded debt of $3 millions, in 1941 this was down to $2¼ millions and is now down to $1.5 millions. By Jan. 2, 1944, the company's entire funded debt will have matured, leaving the sole capital obligation outstanding 200,000 shares of common stock. Burns & Co. at the end of 1939 had $6,668,300 of first mortgage 5% bonds outstanding; during 1941 this total was reduced to $6,445,300. Wilsil has no funded debt.

Working capital position through the industry has shown little to raise cheers. Canada Packers 1942 report shows net working capital of $7.8 millions against 1941's $7.4 millions; Burns dropped to $2.5 million from $2.8 millions; Wilsil held unchanged at $1.4 million. Counterbalancing a general heavy increase in inventories and accounts receivable has been a jump in bank loans.

As at Mar. 26, 1942, Canada Packers had accounts receivable of $10.2 millions against 1941's $7.1 millions, 1940's $5.3 millions. Burns & Co. receivables stepped up some $200,000 in 1941 to $2.1 millions; Wilsil's receivables added some $80,000 in 1941 to $909,237.

Another reflection of soaring business volume is in the inventory column. During the past year Canada Packers' inventories expanded to $16.3 millions from $10.3 millions. Burns' inventories moved up to $5.3 millions from $3.4 millions. Wilsil registered an advance to $770,742 from $643,789.

Bank Loans Gain

While Wilsil does not reflect a heavier dependence on banking operations, the other two companies show a marked expansion in loans. Canada Packers at the end of its 1942 year reported bank loans of $14.1 millions, double the 1940 figure. Burns & Co. showed bank loans of $5.8 millions at 1941's end, compared with $3 millions a year earlier.

This increase in bank loans has been necessary to finance expanded receivables and inventories. Playing a large part in this particular situation are sales to the Dominion government for war purposes. Canada Packers' 1942 statement shows the value of meats in process for, plus sums due from, the Dominion government at $6 millions. The 1939 balance sheet shows no corresponding items. At the end of 1941 Burns & Co. reported an unpaid balance under Canadian Bacon Board contract of $2.3 millions compared with $1.5 millions a year earlier.

Capital Expenditures

To provide greater facilities to handle the increased volume of business meant a general substantial increase in capital expenditures, in some cases to levels well above original estimates. Book value of Burns & Co. fixed assets advanced in 1941 to $11.1 millions from $10.8 millions in 1940. Canada Packers fixed assets in the 1942 fiscal year moved up to almost $22.6 millions from $21.7 millions. Wilsil's fixed assets at 1941's end totalled $1.3 million against $1.2 million a year earlier. These expansions have been financed without resort to the public markets.

The Shareholder

Dividend yields of 6% and 7% and better for what are usually classed as good grade investment stocks continue in plentiful supply on the market without arousing much buying enthusiasm. Pace of trading so far this year, as measured by volume on the Toronto Stock Exchange, has been just a shade better than the draggy 1941 record, but less than half as good as the 1940 total. Up to the end of August 22.6 million shares changed hands on the Toronto floor, as compared with 20.9 million shares in the first eight months of 1941 and 48.9 million shares in the same period of 1940. In contrast, volume of trading on the New York Exchange up to the end of August was 67.5 million shares against 92.4 millions for the same period of 1941.

* * *

Highest level since May, 1940, was reached during August by the Nesbitt, Thomson & Co. index of dividend payments. At 123.5 the index compared with 122.6 in July, 118.9 last August and 121.0 in Aug., 1940. The company states that the five-point rise since the wartime low of 118.5 set in Oct., 1941, cannot be considered as a trend but rather in the nature of a short-term adjustment.

* * *

War savings certificates in lieu of cash dividends have not yet been declared by any Canadian companies in which the public has a share interest. This, however, was the option recently offered shareholders of Belden Manufacturing Co., Chicago. On Aug. 3 the company declared a 37½-cent dividend and, at the same time, announced its War Bond-or-Cash dividend plan giving stockholders the option of receiving their dividends either in U. S. war bonds or stamps or in cash. To facilitate such war bond purchases the dividend was set at a figure which gave shareholders a return from each 50 shares exactly equal to the purchase price of a $25 (maturity value) bond.

The offer closed Aug. 25 by which time Belden shareholders had subscribed for a total of 10.6% of the dividend payment in war bonds and stamps. Estimating that similar plans, if generally adopted, could increase war bond sales by as much as $500 millions a year, Belden proudly proclaimed: "These results demonstrate that corporation dividends, as well as salaries and wages, can be diverted systematically to the purchase of war bonds, if a convenient means of conversion is provided.'

Province of Quebec—

Over 3.54% Interest Return

The Province of Quebec for the fiscal year ended March 31st, 1942 reported an "overall" surplus of $1,500,000.

The funded debt per capita of the Province is the lowest of any province in Canada; excepting Prince Edward Island.

New Issue—

Province of Quebec

3½% Sinking Fund Debentures

Due September 1st, 1955—1957

Price: 99.50 and interest, to yield over 3.54%

Wood, Gundy & Company Limited

Your Business Problems

War conditions have created unprecedented situations for many businesses. For some the war has brought expansion; to others it has meant radical changes in their output. In many cases additional financing is required.

The facilities of this Bank are available to promote greater production and distribution in order to meet the demands of Canada's great war effort.

We shall be glad to have you consult us.

THE BANK OF TORONTO

Incorporated 1855

13-42

September Dividends Decline From Year Ago

Dividends scheduled for payment by Canadian companies in September at $22.8 millions, will be approximately $4.7 millions less than paid last year, according to an estimate made by The Financial Post. Dividends expected, but not yet declared, may help to swell the final total. For the first nine months of 1942 an estimated $197.7 millions will be paid as compared with $215.2 millions for the same period of 1941.

Bond interest payments for September at $10.5 millions, are down $1.6 millions from a year ago.

One company has passed its September dividend; Union Gas deferring action on the 20 cents ordinarily due this month. Canada & Dominion Sugar was the sole company to report a reduction in dividend rate, cutting the payment down to 20 cents a share from the former 37½ cent rate.

Agnew-Surpass is paying an extra dividend of 20 cents per share while Asbestos Corp. is coming through with its regular ten cent extra disbursement. D. A. Stuart Oil preferred will pay a 25 cent dividend on account of its participating feature.

De Havilland Aircraft is paying off another $1.75 on account of preferred dividend arrears. After this payment, arrears will amount to $56 a share.

Monthly Dividends

	1942 $	1941 $
January	22,952,037	23,026,402
February	10,016,154	10,655,895
March	27,730,638	27,821,583
April	21,221,615	23,823,789
May	6,357,276	7,230,853
June	48,456,376	58,275,666
July	27,581,376	28,855,735
August	10,531,957	9,938,980
September	22,949,464	27,599,095
Total	197,796,913	215,227,978

Summary of August Payments

	1942 $	1941 $
Dividends	22,949,464	27,599,095
Bond interest	10,529,000	12,102,000
Total	33,478,464	39,701,095

Industrials and Utilities

Company	Rate $	Date	Amount $
Agnew Surpass, c.	.40s	1	32,000
Do., extra	.20	1	16,000
Aluminium, com.	2q	5	1,488,820
Do., pref.	†1.50q	1	118,494
Anglo Can. Tele., A	.15q	1	73,065
Asbestos Corp.	.20q	30	120,000
Do., bonus	.10	30	60,000
Assoc. Breweries, c.	.25q	30	59,100
Barber Ellis	.12½q	15	5,500
Bathurst Pwr. A	.25q	1	100,000
Bright, T. G., pfd.	1.50	15	11,113
Bruck S. Mills	.10	15	12,500
Canada Cycle	.30q	30	30,000
Do., pref.	1.25q	30	11,802
Canada Cement, pf.	1.25q	21	251,086
Can. Crushed Stone	.10q	15	6,374
Can. & Dom. Sugar	.20	1	300,000
Canada Dry	†.15q	22	92,273
Can. Fdry. & Forg. A.	.37½q	15	14,227
Canada Malting	.50q	15	99,486
Canada Vinegars	.10q	1	9,200
Can. Wire & C., A	1q	15	29,668
Do., "B"	.50q	15	75,332
Do., pref.	1.62½q	15	46,419
Can. Bakeries, pfd.	1.25	1	11,412
Can. West. Nat. Gas, p.	1.50q	1	38,346
Cap. Wire Cloth, p.	.38q	1	3,800
Corr. Paper Box, pf.	1.75q	1	11,168
David & Frere	.25q	30	5,750
De Havilland, pref.	1.75	15	4,733
Do., arrears	1.75	15	4,733
Distillers Seag. c.	.55½q	15	973,397
Dom. Envelope, pfd.	1.75q	1	7,315
Dom. Foundries, pfd.	1.50q	1	18,000
Eastern Steel	.25q	1	14,500
English Elec. "A"	.62q	15	26,409
Ford Motor, A, B	.25q	19	414,740
Gatineau Power	.15q	30	249,370
Ham. Un. Theat., pfd.	1.25q	30	8,161
Imperial Tobacco, c.	.10q	30	945,103
Do., pref.	3%s	30	240,900
Imperial Varnish	.12½q	1	6,701
Do., pref.	.37½q	1	4,020
Lake of W. Mill.	.30	1	44,306
Do., pref.	1.75q	1	26,250
Langleys, pref.	.50	11	2,828
Laura Secord	.20q	1	57,500
Loblaw Groc. A, B	.25q	1	207,089
Loblaw Inc.	†.25q	1	85,623
Louisiana Land	†.10q	15	296,495
MacKinnon Steel, p.	1.25q	15	5,942
Massey Harris, p.	.62½	15	302,247
Montreal Cottons	1q	15	30,000
Do., pref.	1.75q	15	52,500
Nan-Dun. Util., p.	.81¼q	1	6,500
Northwest. Util., p.	1.50q	1	17,439
N. S. Light & Pr., p.	1.50q	1	36,450
Ogilvie Flour, pf.	1.75q	1	35,000
Paton Manfg.	1q	15	10,000
Photo Engravers	.50s	1	15,000
Regent Knit.	.25	15	16,252
Do., pref.	.40q	1	6,400
Reliance Grain, p.	1.62½q	15	32,500
Rolland Paper, pf.	1.50q	1	22,500
Russell Indust.	.20q	30	17,020
Do., pref.	1.75q	30	14,857
Simon & Sons	.15q	30	4,507
Do., pref.	1.75q	30	4,635
Toronto Elevators, p.	.65½q	5	18,820
United Grain, A	1	15	145,525
Do., "B"	.25	15	13,917
Walker-Good.	1q	15	724,004
Do., pref.	.25q	15	140,204
West. Can. Hyd., p.	.20q	1	10,762
Total			8,464,989

Mining Companies

Company	Rate $	Date	Amount $
Aunor Gold	.04	1	80,000
Beattie Gold	.03	9	150,000
Berens River	.03	25	60,000
Central Patricia	.03q	30	75,000
Coniaurum Mines	.03q	9	83,002
Granby Cons.	†.15	1	67,539
Hallnor Mines	.10q	1	200,000
Hollinger Cons.	.05	9	246,000
Inter. Nickel, c.	†.50q	30	7,292,012
Lava Cap Gold	†.02	30	48,915
Lake Shore M.	.20q	15	400,000
Macassa Mines	.08q	15	214,245
McIntyre Porc.	.55½q	1	442,890
McK. Red Lake	.03q	15	88,050
Noranda Mines	1q	15	2,239,772
Perron Gold	.04q	21	80,000
Siscoe Gold	.01½q	15	69,601
South. Amer. Gold	†.10	14	176,000
Sylvanite Gold	.05q	30	164,975
Ventures	.05	25	78,697
Waite Amulet	.10	10	330,000
Total			12,586,698

Oil Companies

Company	Rate $	Date	Amount $
Stuart Oil, pref.	.20q	1	8,036
Do., participating	.25	1	10,045
Sunset Oils	.01½	15	25,200
Total			43,281

Financial

Company	Rate $	Date	Amount $
Bk. Can. Nationale	2q	1	140,000
Bank of Montreal	2q	1	720,000
Bank of Toronto	2.50q	1	150,000
Can. Int. Inv. Tr. p.	.50q	1	7,527
Confederation Life	1.50q	30	15,000
Crown Trust	1q	30	10,000
Dom. Ang. Inv., pf.	1.25q	1	16,187
Dom. Scot. Inv., pfd.	.50q	1	24,568
Montreal Loan	.31¼q	15	7,500
Provincial Bank	1.50q	1	60,000
Royal Bank	2q	1	700,000
Sec. Can. Int. Inv., p.	.10q	1	3,714
Total			1,854,496
Grand total			22,949,464

q—Quarterly. s—Semi-annually. †Payable in U. S. funds.

Canadian Cottons—Volume of output this year is expected to reach a new high level, or at least hold on equal terms with that of last year. Prospects of a maintenance of earnings are not quite so good, as higher wages and labor turnover, particularly in the Hamilton mill,

Int'l Hydro Offers Plan

From Our Own Correspondent

MONTREAL.—International Hydro-Electric System, formerly controlled by International Paper Co., has filed with the United States Securities & Exchange Commission, a plan of liquidation in compliance with the month-old commission order for dissolution under provision of the Holding Company Act.

The plan contemplates eventual disposal of interest in six subsidiaries: Gatineau Power Co., New England Power Association, Hudson River Power Corp., System Properties Inc., Corinth (N.Y.) Electric Light & Power Co. and Moreau (N.Y.) Manufacturing Corp.

Distribute Gatineau Stock

The system will distribute as soon as possible 1,434,672 shares of the outstanding 1,439,042 shares of Gatineau Power Co. stock to holders of $26,568,000 6% debentures, due 1944, in exchange for part of their debentures and interest coupons. The exchange rate will be 54 common shares for each $1,000 of debentures.

At present, there exists a market on the Gatineau common stock of $6 a share in Canadian funds. This would mean a distribution of $324 per $1,000 of debentures for Gatineau stock alone.

Securities of other subsidiaries also will be distributed to the debenture holders, as soon as these securities are put in distributable form.

Reorganize Units

The system contemplates that the New England Power Association will be reorganized to conform with S. E. C. simplification action and International Hydro will receive new common stock in exchange for present New England Power shares.

The plan said that a programme is under way for reorganization of Hudson River and System Properties Inc. and that it is anticipated these companies will be merged with only a single class of common stock.

International said it plans a cash sale of its investment in Corinth and Moreau.

Any remaining assets after the settlement with debenture holders will go to International Hydro-Electric system stockholders.

Market Opinions

Despite the recent mild downturn in market prices, commentators this week continue their tone of restrained optimism. No really new market signal is reported.

Barron's, N.Y. (The Trader)—After three years of war and almost eight months in which the United States has been an active combatant, sufficient time has elapsed for the discounting of the worst. Cross currents of the stock market are puzzling to investors and apathy of trading deadens speculative initiative. But when the Treasury itself admits "Effective rates of tax in excess of 80% may constitute a serious threat to the maintenance of a high level of war production and deprive corporations of cash needed in financing war production," and when it adds "A postwar credit is needed to encourage economy and efficiency during the war emergency to facilitate the transition from a war to a peacetime economy," an important milestone has been reached.

While scepticism over such expressions of financial orthodoxy may persist until the tax bill actually becomes law, the mere proposals should in due course lead to a resurgence of the ingrained American optimism that has been repressed for three years.

* * *

Financial World, N.Y.—There is nothing to suggest that the receding tendencies developed by the market this week signal anything more than a minor downturn. As long as the inflationary pot continues to boil merrily, forcing its steam through one price ceiling after another, the tendency will be to add to holdings than to liquidate stocks already owned.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	59.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	83.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.0	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
1942: Weekly Figures:												
Aug. 6	75.4	57.5	61.3	46.1	97.2	76.3	97.4	74.3	67.1	75.4	67.7	61.5
Aug. 13	76.1	58.0	61.6	46.7	96.0	75.3	98.5	74.1	67.7	72.4	68.2	61.5
Aug. 20	77.0	55.4	61.6	47.5	96.2	75.0	101.3	72.7	66.8	71.3	68.1	61.6
Aug. 27	75.5	54.3	61.6	48.6	98.6	74.6	97.6	72.5	66.9	70.4	67.9	61.7

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Sept. 1	84.47	58.81	59.14	15.46
Aug. 31	84.63	59.01	59.08	15.48
Aug. 29	84.36	58.99	59.05	15.48
Aug. 28	84.51	58.92	59.07	15.46
Aug. 27	84.56	58.96	59.01	15.55
Aug. 26	84.72	59.16	59.00	15.55
Month ago	84.02	61.70	59.82	15.66
Year ago	95.56	101.68	72.38	19.54

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cmd.	10 Pprs.	15 Golds
Sept. 1	42.0	54.0	50.0	47.96	38.24
Aug. 31	42.6	54.4	50.5	48.51	38.42
Aug. 29	43.0	54.2	50.5	48.63	38.60
Aug. 28	43.0	54.0	50.3	48.85	38.77
Aug. 27	43.4	54.0	50.5	48.95	38.94
Aug. 26	43.2	54.0	50.4	48.73	38.77
Month ago	43.6	53.8	50.4	52.36	39.43
Year ago	45.1	63.3	57.6	84.87	71.74

Expect P. G. E. Agreement To Be Reached Shortly

From Our Own Correspondent

VANCOUVER. — British Columbians are expecting negotiation of a deal for the Pacific Great Eastern Railway—an event which a few years ago would have provided a major political and economic issue in the west coast province.

Sale of the P. G. E. or acquisition of running rights over its line by other interests would still be a transaction of considerable significance here, but many people are now regarding such a project as a matter of course rather than as a fantastic dream, which would have been the popular conception not long ago.

The epochal happenings in the north country, beginning with the building of airplane bases to Alaska and continuing with the building of the Alaska Highway, construction of a pipe line from Fort Norman and surveying of a proposed railroad from Prince George north, have set people thinking here along lines of northward expansion, and in most of these thoughts the provincially owned P.G.E. assumes obvious prominence.

Seattle Interested

Not only in Vancouver and other British Columbia cities is the P. G. E. being visualized as a link in a new transportation system providing rail communication with the north; in Seattle active interest is being taken in the project because it is realized there that unless something is done to offset the influence of the Alaska Highway and other means of transportation approaching Alaska from the east, the Pacific northwest states are likely to be permanently bypassed so far as land routes to the north are concerned.

Seattle is particularly concerned for her trade with Alaska. In the late 90's no city profited more from the gold stampedes to Alaska and the Klondike than the Puget Sound city, and Seattle will not relinquish its control over this traditionally tributary territory without a fight.

Premier John Hart is eager to sell the P. G. E. if he can get a reasonable price. The government, which has spent some $90 millions on the road, has never been keen to stay in the railroad business any longer than necessary, but only now does there seem to be a chance of making a deal for the road on a mutually agreeable basis. Just what price the government might place on the road is uncertain, but $20 millions has been mentioned. The P. G. E., however, is now paying operating expenses and the government is not anxious to dispose of it at a sacrifice.

Committees representing the Vancouver Board of Trade and the Seattle Chamber of Commerce have been formed to stimulate development of the P. G. E., and a group of American businessmen recently made a tour of the road during which they sized up its possibilities as a link in a rail line between Vancouver-Seattle and Alaska.

The road at present runs from Squamish on Howe Sound to Quesnel. There is some talk of eliminating the line from Clinton to Squamish; to build a motor road over that route instead and construct a rail line from Clinton to Ashcroft or Savona on the C. P. R. This would provide a direct contact with Vancouver without undertaking extension of the line south from Squamish—a project that would probably cost considerably more than the Clinton-Ashcroft cutoff, one being through solid coastal rock, the other across sagebrush hills.

In any event the road would be extended north from Quesnel to Prince George, then on toward Whitehorse in the Yukon and then to Fairbanks, Alaska.

Brown Co. Expenses Top Million Mark

From Our Own Correspondent

MONTREAL.—Approximately $1,046,000 was allowed by the U. S. Federal Court to more than two score individuals, law firms and banks, for fees and expenses in connection with the reorganization of Brown Co.

Maine firms and individuals asked all or part of sums totalling $379,855 last February when all parties concerned had asked a total of $1,423,798. The Securities and Exchange Commission filed a report July 13 recommending allowances of $906,560, which the court scaled upward.

The firm, which makes cellulose from wood pulp, with plants at Berlin and New Hampshire and La Tuque, Que., first sought reorganization under the bankruptcy laws in Sept., 1935. The Reconstruction Finance Corp. loaned the company $6.5 millions last year when the reorganization plan was approved.

Windsor, Essex Can Better Par

Remaining assets of Windsor, Essex & Lake Shore Electric Railway Association have a cash value in excess of the amount required to enable bondholders to receive the full principal amount of their original investment, holders are advised by Guaranty Trust Co. of Canada, trustee. Total distribution to bondholders from liquidation of this business so far has totalled 84.7% of face value.

Guaranty Trust states that some of the holders would favor an immediate sale of the remaining assets. A questionnaire is being sent to registered holders to get an expression of their wishes on this point.

Assets being administered by the trustee include $297,260 par value of Windsor 3¼% debentures, $51,710 par value Twp. of Sandwich East debentures and $50,600 par value Twp. of Sandwich West debentures.

The trustee notes that its action in retaining these debentures has considerably benefitted holders in view of their substantial market appreciation, and it is suggested that the Windsor debentures may go higher. It is stated that the delay in disposing of these assets is not consuming the principal available to bondholders and the trustee's normal liquidation remuneration will apply whether the assets are sold now or later.

The Bondholder

Bond traders this year have found comparatively little time for their ordinary pursuits in the market. The Second Victory Loan in February meant a disruption of markets and staff for a period of several months. Shortly after things had straightened away, the usual summer doldrums were on while periodic trips to the field to keep the local war finance machinery in smooth running order also helped to slow things down. Right now, lining up of personnel for the next loan is going on. As a result of this anticipation of the next loan ordinary trading is again down to a walk, and seems likely to continue so until this financing is out of the way.

* * *

Reviewing bond prices over the month of August, only comparatively minor changes are evident in most cases. The newsprint group showed more of a concerted swing during the month than any other section as Consolidated Papers lost about five points while Abitibis and M. & O.'s each lost about two. Drooping newsprint production rates combined with increasing fears over the effect of power diversion was the background for this market markdown. Most spectacular advance of the month was recorded by International Hydro 6's which moved up from 32 to around 45 bid. Already much discussed, hopes of a high break-up value for the debentures pushed this issue higher.

* * *

Comparing Abitibi bonds with those of Consolidated Paper, Plaxton, Cherry & McDonnell, Toronto, conclude that the former are more attractive from the market standpoint. Abitibi has working capital of $22.4 millions against Consolidated's $14 millions, or $465 per $1,000 bond against $285. Earnings per $1,000 bond in 1941 for Abitibi were $209 in comparison with Consolidated's $177.

It is pointed out that Abitibi has developed water power of 182,073 h.p. and undeveloped water power estimated at between 350,000 and 400,000 h.p. It is noted that these are valuable assets and in recent discussions, a figure of $20 millions was mentioned as representing their worth. The comparison goes on that Consolidated may be affected by the diversion of power to war industries, but that it would appear that Abitibi will not be subject to such diversion, except possibly at Beaupre. Any production lost at this point could easily be replaced by surplus capacity at other mills, it is held.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Wood, A. & J. .. *$29,500.	*6%	1944	Oct. 1	103

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Provincial—							
Saskatchewan	July	Dominion Securities, A. E. Ames & Co., Wood, Gundy & Co. (sold privately)	4%	1944	$7,475,000	.....	.....
Dominion							
Canada Treasury Bills	Aug.	....	...	Nov. 27, '42	45,000,000	99.867	0.533%
Deposit Certificates	Sept.	Chartered Banks	¾%	Mar. 2, '43	40,000,000	100	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Congregation Des Hospitalieres De La Misericorde De Jesus	Aug.	Paul Gonthier & Co.	3½%	1944-49	$215,000	100	.....
			4%	1950-65	885,000		

Bathurst Power Boosts Income

Half Year Results Show Marked Betterment in Finances

From Our Own Correspondent

MONTREAL.—Bathurst Power & Paper Co. reports substantially increased earnings, after depreciation and depletion but before provision for income taxes, during the six months ended June 30, 1942.

Net profit, on the above basis, amounted to $881,282 in the first half of 1942. This contrasts with $645,203 for the same period last year, an increase of 36.6%.

Dominion income and excess profits taxes, it is stated, are being accrued currently at assumed rate aggregating 40%. However, the final liability for such taxes is uncertain and an adjustment of the tax provision may be necessary before the end of the year.

The tax liability for 1940 and 1941, it is added, likewise is subject to final determination by the income tax division of the Department of National Revenue.

More Working Capital

Current assets at the end of last year amounted to $5,049,605; including cash and marketable securities of $1,673,130. With current liabilities at $1,072,982, net working capital was $3,846,305 as on March 31, and $3,649,709 as of Dec. 31, 1941.

It is officially stated the balance of $105,000 on purchase money notes was paid off in full in June.

Bond Tenders

5 p.m., Sept. 21, Village of Val Barrette, County of Labelle, P.Q.—$10,000, 4%, dated Oct. 1, 1942, maturing serially from Oct. 1, 1943 to 1952. E. Forget, sec.-treas.

5 p.m., Sept. 14, Drummondville, P.Q.—$62,500, 3½%, dated Sept. 1, 1942, redeemable serially from Sept. 1, 1943. J. Marier, clerk.

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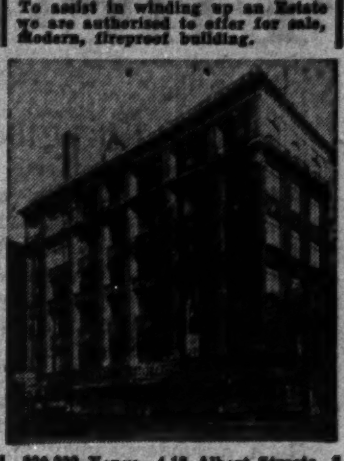
$200,000 — or Offer

To assist in winding up an Estate we are authorised to offer for sale, Modern, fireproof building.



220-222 Yonge—4-12 Albert Streets
Lot 40' x 110' to Lane.

Six storeys, equipped with freight and passenger elevators. An ideal Head Office building or a good investment. Building ninety per cent occupied by excellent tenants.

Your offer invited. For further information Phone or Write:

W. H. BOSLEY & CO.,
28 Adelaide St. W.

Power Corp. Group Report Lower Output

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada's subsidiary and affiliated companies report a power output in July of 210.2 million kw.h. This was slightly less than for the same month a year ago, declines being registered by Canada Northern Power and Winnipeg Electric.

Comparative returns follow:

July	1942	1941
B. C. Power	57,435,161	50,143,098
C. N. Power	52,871,709	61,866,490
East Kootenay	10,340,028	9,952,478
Northern B. C.	1,616,152	1,247,820
South. Canada	21,695,640	19,630,470
Wpg. Electric	66,212,700	71,581,600
	210,171,390	214,421,954

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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MY 10 years experience in Labour Organizations will increase production through improved labour relations. Will assist Personnel Director in large plant. Accountancy training an asset for smaller firm. Box 58, The Financial Post, Toronto.

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LAWYER (University graduate) with 20 years experience in property, commercial, mercantile and general practice available for any business in which abilities could be used, preferably associated with war effort. Box 56, The Financial Post, Toronto.

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Ensure good health by a restful holiday at Preston Springs. You'll really enjoy this famous resort's outdoor attractions, its comfortable rooms and appetizing meals. $3.50 a day and up inclusive.

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ACCOUNTANCY AND ALLIED SUBJECTS

The Shaw Higher Accounting Courses by Mail prepare for all accounting positions. Choose the Shaw Course. 40 years of success. 500 expert accountants for reference. The broader your knowledge the better qualified you are for advancement when the opening occurs. Course is planned in 3 sections—we can catch step with you at any stage and guide you to the top. Allied subjects include: Cost Accounting, Auditing, Corporation Finance, Practical Banking, Business Administration, Secretarial Practice, Economics, Commercial Law, etc.

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New Books

Outstanding War Book

RETREAT TO VICTORY by Allan A. Michie. Published in Canada by Longmans, Green & Co. Price $4.

Scottish-born, U. S. educated Michie arrived in Britain the day war was declared and has spent most of the three years following in the Mediterranean theatre of war, the Near East and India writing for Time—Life—Fortune.

This is perhaps the best thing written so far about the warfare in North Africa. It tells less of the human interest anecdote material that fills so many books of returning war correspondents and gives interesting and informed reports on military activities, qualities of the chief personalities involved, weapons, etc.

"I believe," he says, "that it is in the Middle East that the whole future of the United Nations and the very destiny of the world will be decided. It is in the Middle East that the decision will be made whether the war can be won in a year or two or drag on for a decade or more. . . . If we lose the Middle East, the United Nations will be faced with a prolonged struggle of five, ten, fifteen years. It is impossible to predict that we could even win at all."

The title of this book comes from the author's argument that the United Nations' plan for victory has been one of holding, moving back, fighting delaying actions—until they are ready to give the final coup de grace. Thus, he argues, the disaster at Crete was a victory because it slowed down the German advance, because it spoiled Hitler's plans for action in the Middle East and spoiled the timing of his 1941 attack on Russia.

His picture of war de luxe as it was at times fought from the cocktail lounge of swank Cairo hotels amplifies what most Canadians have heard before. His report on British censors is filled with fire and brimstone, and coincides with what has been reported in other sources.

Michie won't like Auchinleck's transfer away from the Middle Eastern front. He says: "Those of us who have seen the British Commanders who have come and gone in this war . . . think (him) the best general Britain has."

Michie's tribute to Britain"s part in the war is perhaps the most outstanding paid by a "foreigner" so far in this war.

The Russia Beyond Alaska

SOVIET ASIA, DEMOCRACY'S FIRST LINE OF DEFENSE by R. A. Davies and Andrew J. Steiger. Published in Canada by Longmans, Green & Co. Price $4.

This team of authors brings together into reasonable compass and readable form interesting information about eastern Russia, the Russia beyond the Urals, the Russia which lies just beyond Alaska.

Raymond Arthur Davies is a native of Canada and a busy free lance writer. Andrew Steiger is U. S. born, has been a translator in Moscow for newspaper bureaus and has written some articles.

One gathers that Steiger who has travelled the regions covered by the book provided some of the information and all of its color; that Davies did the writing.

While the authors have not been able to get at the facts of Russia's real military strength, her reserves and her potential—facts which even her allies, Britain and the United States, do not yet seem to have got, they have collected evidence from a

HERE I WAS ON "OLD FAITHFUL"

by WALLACE REYBURN

Wallace Reyburn, war correspondent for the Montreal Standard, spent six and a half hours ashore with Canadian troops at Dieppe. The Regiment he went in with was the first to land and last to leave. Today's war correspondents aren't satisfied to write their despatches from behind lines. They get right in there with the fighting men and share their hazards. Reyburn, who was injured by shrapnel, had to swim out with men to the landing-craft under a barrage of fire which the Germans were concentrating on the shore line. The first barge he clambered onto sank. He swam to another only to find when he got into it that it was overloaded. A ship eventually took them off and out to a destroyer lying a mile or so off shore.

London, Eng. (By Cable)—It was one o'clock in the morning and I'd just come back from Dieppe!

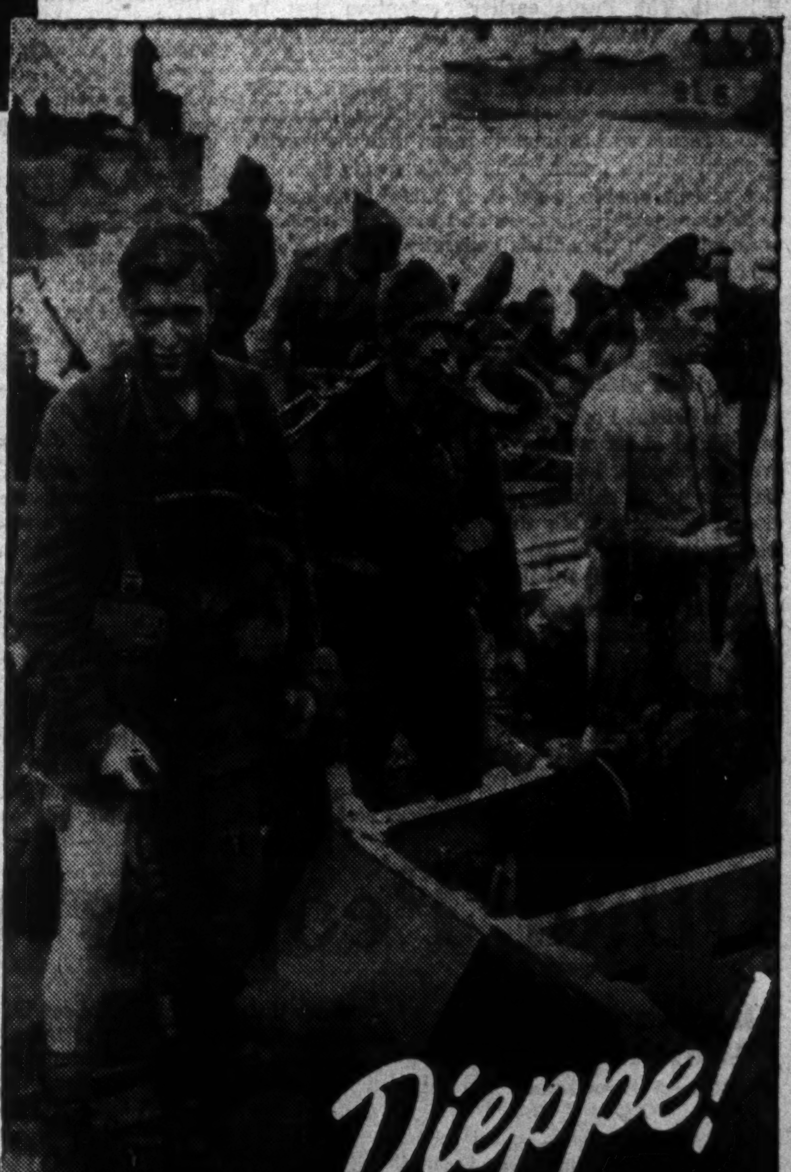
You've heard people describe to you "the most wonderful drive I ever had in my life". Maybe it was across Rockies or through Grand Canyon or just along Lakeshore Boulevard with a gale pounding huge waves up on to the roadway. But now I know definitely what is the most wonderful drive I ever had. There wasn't any beautiful scenery on this trip. It was through grimy docks of a South of England port!

My swim out from the beach with the Canadians had left me clad only in a pair of underpants, army boots and blanket which the ship's steward had wrapped round me. The press liason officer met me at the gangplank as I came off and said "I've got a room for you at the hotel, the car's ready". We climbed into the press car and joined a huge convoy of army trucks taking Canadian troops out to their billets. I remember stretching back in my seat, lighting up a cigarette and feeling a surge of relief at being back on solid ground again.

I'd ridden in this Chev. many times before on interminable jaunts among troops in England, collecting material for articles on their training that led up to their grand showing at Dieppe.

Out there on the beaches and in the streets of Dieppe there had been moments when you wondered whether you would ever come through it alive and be back among old familiar things again.

But here I was on "Old Faithful" as we call her, once more, and was I glad to be there!



This personal despatch from Wallace Reyburn inspires General Motors to pay its humble tribute to the men of the Dominion who wrote the imperishable epic of Dieppe! They gave their utmost and such service as theirs cannot be emulated except in the very battle-smoke. But they were, and must be, supported, and General Motors of Canada—proud that the war equipment from its factories is to be found on every fighting front—pledges itself to produce that equipment to the last resource of its men and machines.

CANADIAN-BUILT GM WAR PRODUCTS ARE SERVING IN EVERY THEATRE OF WAR

Packers—Food For Investment Thought

Big Three Companies Show an Interesting Wartime Performance

By ROBERT C. STARK

To Canadian packing companies war has meant a heavily increased volume of business, many stresses and strains in trying to operate under the price ceiling. Holders of packing shares have watched their stock hold fairly well on the market backed by a continuing good earnings performance.

That the packers have been able to put up such a good earnings performance is due solely to their vastly increased volume of business; profit margin is probably at a record low. Good example is Canada Packers which in the year ended March 28, 1940, handled 913 million tons as compared with 1942's 1,228 million tons. Despite that increase of 315 million tons in volume, net profit in 1942 was down some $56,000 from 1940. In 1940, Canada Packer's margin of profit expressed as a percentage of sales was 1.9%; in 1941 it slipped to 1.4%, in the 1942 year it was down to 1.1%.

This narrow profit margin has long been a notable feature of the packers; that it is continuing to narrow is at once a tribute to the packers' wartime efficiency, an indication of some of the troubles they have had to meet, and a source for a little concern to profit-minded shareholders.

Ceilings a Worry

During the past year the position of Canadian packing concerns has been greatly complicated by the imposition of price ceilings. Heavily increased demands both in Canada and from the United States worsened an already short supply situation. The squeeze came through the fact that live cattle sold at prices that packers could not meet and still stay under the ceilings. Only courses open were taking a loss or dabbling in "black market" operations. There was some of the latter but reputable operators took substantial losses.

To help iron out the chaotic situation the Wartime Prices and Trade Board this spring set up a system of fixing beef prices on a zone system across Canada. To assure that cattle were not exported in a quantity to endanger domestic supply, special export buying powers were given Wartime Food Corp.

Bacon Operations Jump

In the bacon end of the industry packing companies have made a substantial contribution toward supplying food to Britain. For the first war year Canada was asked to send 50,000 cwts. of bacon weekly to the United Kingdom; in the second war year delivery was stepped up to 70,000 cwts. weekly; the current contract calls for 600 million lb. or 115,000 cwts. weekly. For next year it is believed the total contract will be for 700 million lb. of bacon, or some 135,000 cwt. weekly.

To meet that tremendous upsurge in demand for bacon has been largely the job of the Canadian West. Answer to that geographic fact is that the West has the grain—it takes six pounds of grain to produce one pound of Wiltshire bacon. After meeting the higher cost of feed from the west, the eastern producer can't show nearly the same profit on hog raising as his western counterpart.

Burns and Bacon

Assumption of leadership in the bacon business by the West has meant rejuvenation for Burns & Co., a Calgary packer in which there is an important investment interest. In 1941 Burns turned in its first net profit since 1937. Showing an operating profit of $1,249,767 from the highest sales in the company's history (1940 operating profit $686,843), this western packer doubled its depreciation writeoff to $663,505, paid $60,000 in taxes against nil in 1940, and reported a final net profit of $97,421 against 1940's loss of $76,371.

From the investment standpoint, Burns & Co. issues are particularly sensitive to changes in the bacon trade. Significant in this connection is renewed buying interest in Burns bonds and stocks since recent announcement of the new 700 million lb. bacon contract with Britain.

The other two important packing companies in which there is a big investment interest show a less spectacular profit performance.

Canada Packers in the year ended March 26, 1942, had a net profit of $1.6 million against 1941's $1.5 million, after paying a tax bill of $2.6 millions against $1.5 million in 1941. Wilsil Ltd. turned in a 1941 net profit of $192,505 after a $175,000 tax provision, as compared with a 1940 profit of $202,547 after paying $137,000 in taxes. In dividend return the story has been $1 a share for Wilsil for each of the past three years, $4 for Canada Packers in 1942 compared with $4.50 in 1941 and $4 in 1940. Burns & Co. pays no dividends.

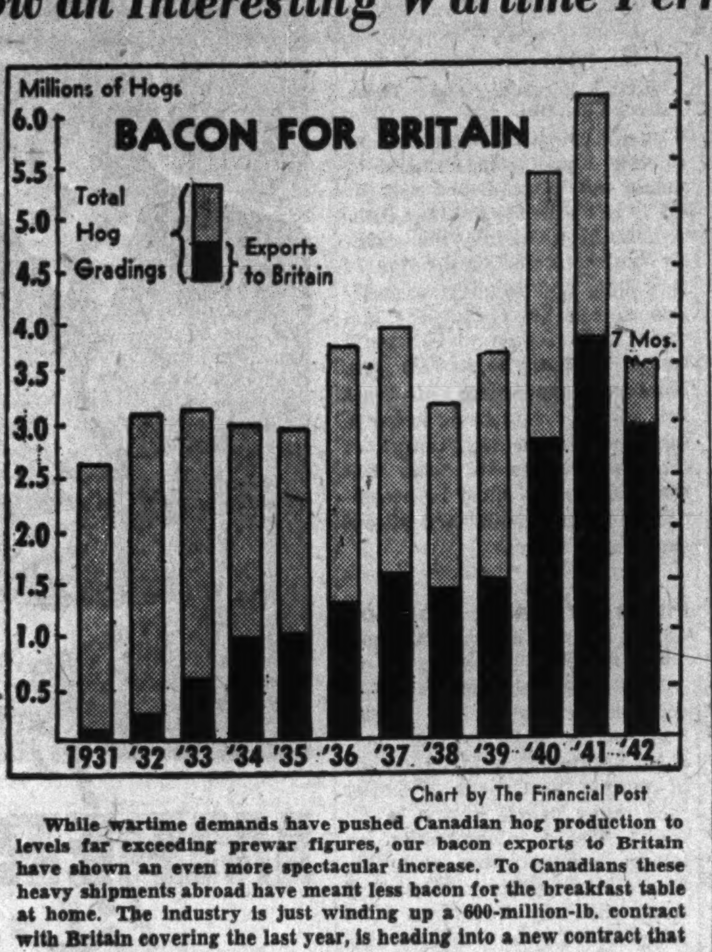


Chart by The Financial Post

While wartime demands have pushed Canadian hog production to levels far exceeding prewar figures, our bacon exports to Britain have shown an even more spectacular increase. To Canadians these heavy shipments abroad have meant less bacon for the breakfast table at home. The industry is just winding up a 600-million-lb. contract with Britain covering the last year, is heading into a new contract that will call for 700 million lb.

Some Common Trends

Examination of the balance sheets of the big three packers shows some common trends.

Funded debt is being reduced. Canada Packers' 1940 statement shows a funded debt of $3 millions, in 1941 this was down to $2¼ millions and is now down to $1.5 millions. By Jan. 2, 1944, the company's entire funded debt will have matured, leaving the sole capital obligation outstanding 200,000 shares of common stock. Burns & Co. at the end of 1939 had $6,668,300 of first mortgage 5% bonds outstanding; during 1941 this total was reduced to $6,445,300. Wilsil has no funded debt.

Working capital position through the industry has shown little to raise cheers. Canada Packers 1942 report shows net working capital of $7.8 millions against 1941's $7.4 millions; Burns dropped to $2.5 million from $2.8 millions; Wilsil held unchanged at $1.4 million. Counterbalancing a general heavy increase in inventories and accounts receivable has been a jump in bank loans.

As at Mar. 26, 1942, Canada Packers had accounts receivable of $10.2 millions against 1941's $7.1 millions, 1940's $5.3 millions. Burns & Co. receivables stepped up some $200,000 in 1941 to $2.1 millions; Wilsil's receivables added some $80,000 in 1941 to $909,237.

Another reflection of soaring business volume is in the inventory column. During the past year Canada Packers' inventories expanded to $16.3 millions from $10.3 millions. Burns' inventories moved up to $5.3 millions from $3.4 millions. Wilsil registered an advance to $770,742 from $643,789.

Bank Loans Gain

While Wilsil does not reflect a heavier dependence on banking operations, the other two companies show a marked expansion in loans. Canada Packers at the end of its 1942 year reported bank loans of $14.1 millions, double the 1940 figure. Burns & Co. showed bank loans of $5.8 millions at 1941's end, compared with $3 millions a year earlier.

This increase in bank loans has been necessary to finance expanded receivables and inventories. Playing a large part in this particular situation are sales to the Dominion government for war purposes. Canada Packers' 1942 statement shows the value of meats in process for, plus sums due from, the Dominion government at $6 millions. The 1939 balance sheet shows no corresponding items. At the end of 1941 Burns & Co. reported an unpaid balance under Canadian Bacon Board contract of $2.3 millions compared with $1.5 millions a year earlier.

Capital Expenditures

To provide greater facilities to handle the increased volume of business meant a general substantial increase in capital expenditures, in some cases to levels well above original estimates. Book value of Burns & Co. fixed assets advanced in 1941 to $11.1 millions from $10.8 millions in 1940. Canada Packers fixed assets in the 1942 fiscal year moved up to almost $22.6 millions from $21.7 millions. Wilsil's fixed assets at 1941's end totalled $1.3 million against $1.2 million a year earlier. These expansions have been financed without resort to the public markets.

The Shareholder

Dividend yields of 6% and 7% and better for what are usually classed as good grade investment stocks continue in plentiful supply on the market without arousing much buying enthusiasm. Pace of trading so far this year, as measured by volume on the Toronto Stock Exchange, has been just a shade better than the draggy 1941 record, but less than half as good as the 1940 total. Up to the end of August 22.6 million shares changed hands on the Toronto floor, as compared with 20.9 million shares in the first eight months of 1941 and 48.9 million shares in the same period of 1940. In contrast, volume of trading on the New York Exchange up to the end of August was 67.5 million shares against 92.4 millions for the same period of 1941.

* * *

Highest level since May, 1940, was reached during August by the Nesbitt, Thomson & Co. index of dividend payments. At 123.5 the index compared with 122.6 in July, 118.9 last August and 121.0 in Aug., 1940. The company states that the five-point rise since the wartime low of 118.5 set in Oct., 1941, cannot be considered as a trend but rather in the nature of a short-term adjustment.

* * *

War savings certificates in lieu of cash dividends have not yet been declared by any Canadian companies in which the public has a share interest. This, however, was the option recently offered shareholders of Belden Manufacturing Co., Chicago. On Aug. 3 the company declared a 37½-cent dividend and, at the same time, announced its War Bond-or-Cash dividend plan giving stockholders the option of receiving their dividends either in U. S. war bonds or stamps or in cash. To facilitate such war bond purchases the dividend was set at a figure which gave shareholders a return from each 50 shares exactly equal to the purchase price of a $25 (maturity value) bond.

The offer closed Aug. 25 by which time Belden shareholders had subscribed for a total of 10.6% of the dividend payment in war bonds and stamps. Estimating that similar plans, if generally adopted, could increase war bond sales by as much as $500 millions a year, Belden proudly proclaimed: "These results demonstrate that corporation dividends, as well as salaries and wages, can be diverted systematically to the purchase of war bonds, if a convenient means of conversion is provided.'

Province of Quebec—

Over 3.54% Interest Return

The Province of Quebec for the fiscal year ended March 31st, 1942 reported an "overall" surplus of $1,500,000.

The funded debt per capita of the Province is the lowest of any province in Canada, excepting Prince Edward Island.

New Issue—

Province of Quebec
3½% Sinking Fund-Debentures
Due September 1st, 1955—1957
Price: 99.50 and interest, to yield over 3.54%

Wood, Gundy & Company
Limited

Your Business Problems

War conditions have created unprecedented situations for many businesses. For some the war has brought expansion; to others it has meant radical changes in their output. In many cases additional financing is required.

The facilities of this Bank are available to promote greater production and distribution in order to meet the demands of Canada's great war effort.

We shall be glad to have you consult us!

THE BANK OF TORONTO
Incorporated 1855

18-42

September Dividends Decline From Year Ago

Dividends scheduled for payment by Canadian companies in September at $22.8 millions, will be approximately $4.7 millions less than paid last year, according to an estimate made by The Financial Post. Dividends expected, but not yet declared, may help to swell the final total. For the first nine months of 1942 an estimated $197.7 millions will be paid as compared with $215.2 millions for the same period of 1941.

Bond interest payments for September at $10.5 millions, are down $1.6 millions from a year ago.

One company has passed its September dividend; Union Gas deferring action on the 20 cents ordinarily due this month. Canada & Dominion Sugar was the sole company to report a reduction in dividend rate, cutting the payment down to 20 cents a share from the former 37½ cent rate.

Agnew-Surpass is paying an extra dividend of 20 cents per share while Asbestos Corp. is coming through with its regular ten cent extra disbursement. D. A. Stuart Oil preferred will pay a 25 cent dividend on account of its participating feature.

De Havilland Aircraft is paying off another $1.75 on account of preferred dividend arrears. After this payment, arrears will amount to $56 a share.

Monthly Dividends

	1942 $	1941 $
January	22,952,037	23,026,402
February	10,016,154	10,655,895
March	27,730,638	27,821,583
April	21,221,615	23,823,789
May	6,357,276	7,230,853
June	46,456,376	58,275,666
July	27,581,376	28,855,735
August	10,531,957	9,938,960
September	22,949,464	27,599,095
Total	197,796,913	215,227,978

Summary of August Payments

	1942 $	1941 $
Dividends	22,949,464	27,599,095
Bond interest	10,529,000	12,102,000
Total	33,478,464	39,701,095

Industrials and Utilities

Company	Rate $	Date	Amount $
Agnew Surpass, c.	.40s	1	32,000
Do., extra	.20	1	16,000
Aluminium, com.	2q	5	1,468,620
Do., pref.	†1.50q	1	118,494
Anglo Can. Tele., A	.15q	1	73,065
Asbestos Corp.	.20q	30	120,000
Do., bonus	.10	30	60,000
Assoc. Breweries, c.	.25q	30	59,100
Barber Ellis	.12½q	15	5,500
Bathurst Pwr. A	.25q	1	100,000
Bright, T. G., pfd.	1.50	15	11,113
Bruck S. Mills	.10	15	12,500
Canada Cycle	.30q	30	30,000
Do., pref.	1.25q	30	11,802
Canada Cement, pf.	1.25q	21	251,086
Can. Crushed Stone	.10q	15	6,374
Can. & Dom. Sugar	.20	1	300,000
Canada Dry	†.15q	22	92,273
Can. Fdry. & Forg. A.	.37½q	15	14,227
Canada Malting	.50q	15	99,486
Canada Vinegars	.10q	1	9,200
Can. Wire & C., A	1q	15	29,668
Do., "B"	.50q	15	75,332
Do., pref.	1.62½q	15	46,419
Can. Bakeries, pfd.	1.25	1	11,412
Can. West. Nat. Gas, p.	1.50q	1	38,346
Cap. Wire Cloth, p.	.38q	1	3,800
Corr. Paper Box, pf.	1.75q	1	11,168
David & Frere	.25q	30	5,750
De Havilland, pref.	1.75	15	4,733
Do., arrears	1.75	15	4,733
Distillers Seag. c.	.55½q	15	973,397
Dom. Envelope, pfd.	1.75q	1	7,315
Dom. Foundries, pfd.	1.50q	1	18,000
Eastern Steel	.25q	1	14,500
English Elec. "A"	.62q	15	26,409
Ford Motor, A, B	.25q	19	414,740
Gatineau Power	.15q	30	249,370
Ham. Un. Theat., pfd.	1.25q	30	8,161
Imperial Tobacco, c.	.10q	30	945,103
Do., pref.	3⅝s	30	240,900
Imperial Varnish	.12½q	1	6,701
Do., pref.	.37½q	1	4,020
Lake of W. Mill.	.30	1	44,306
Do., pref.	1.75q	1	26,250
Langleys, pref.	.50	11	2,828
Laura Secord	.20q	1	57,500
Loblaw Groc. A, B	.25q	1	207,089
Loblaw Inc.	†.25q	1	85,623
Louisiana Land	†.10q	15	296,495
MacKinnon Steel, p.	1.25q	15	5,942
Massey Harris, p.	.62½	15	302,247
Montreal Cottons	1q	15	30,000
Do., pref.	1.75q	15	52,500
Nan-Dun. Util., p.	.81¼q	1	6,500
Northwest. Util., p.	1.50q	1	17,439
N. S. Light & Pr., p.	1.50q	1	36,450
Ogilvie Flour, pf.	1.75q	1	35,000
Paton Manfg.	1q	15	10,000
Photo Engravers	.50s	1	15,000
Regent Knit.	.25	15	16,252
Do., pref.	.40q	1	6,400
Reliance Grain, p.	1.62½q	16	32,500
Rolland Paper, pf.	1.50q	1	22,500
Russell Indust.	.20q	30	17,020
Do., pref.	1.75q	30	14,857
Simon & Sons	.15q	30	4,507
Do., pref.	1.75q	30	4,635
Toronto Elevators, p.	.65½q	5	18,820
United Grain, A	1	15	145,525
Do., "B"	.25	15	13,917
Walker-Good.	1q	15	724,004
Do., pref.	.25q	15	140,204
West. Can. Hyd., p.	.20q	1	10,762
Total			8,464,989

Mining Companies

Company	Rate $	Date	Amount $
Aunor Gold	.04	1	80,000
Beattie Gold	.03	9	150,000
Berens River	.03	25	60,000
Central Patricia	.03q	30	75,000
Coniaurum Mines	.03q	9	83,002
Granby Cons.	†.15	1	67,539
Hallnor Mines	.10q	1	200,000
Hollinger Cons.	.05	9	246,000
Inter. Nickel, c.	†.50q	30	7,292,012
Lava Cap Gold	†.02	30	48,915
Lake Shore M.	.20q	15	400,000
Macassa Mines	.08q	15	214,245
McIntyre Porc.	.55½q	1	442,890
McK. Red Lake	.03q	15	88,050
Noranda Mines	1q	15	2,239,772
Perron Gold	.04q	21	80,000
Siscoe Gold	.01½q	15	69,601
South. Amer. Gold	†.10	14	176,000
Sylvanite Gold	.05q	30	164,975
Ventures	.05	25	78,697
Waite Amulet	.10	10	330,000
Total			12,586,698

Oil Companies

Company	Rate $	Date	Amount $
Stuart Oil, pref.	.20q	1	8,036
Do., participating	.25	1	10,045
Sunset Oils	.01½	15	25,200
Total			43,281

Financial

Company	Rate $	Date	Amount $
Bk. Can. Nationale	2q	1	140,000
Bank of Montreal	2q	1	720,000
Bank of Toronto	2.50q	1	150,000
Can. Int. Inv. Tr. p.	.50q	1	7,527
Confederation Life	1.50q	30	15,000
Crown Trust	1q	30	10,000
Dom. Ang. Inv., pf.	1.25q	1	16,187
Dom. Scot. Inv., pfd.	.50q	1	24,568
Montreal Loan	.31¼q	16	7,500
Provincial Bank	1.50q	1	60,000
Royal Bank	2q	1	700,000
Sec. Can. Int. Inv., p.	.10q	1	3,714
Total			1,854,496
Grand total			22,949,464

q—Quarterly. s—Semi-annually. †Payable in U. S. funds.

Canadian Cottons—Volume of output this year is expected to reach a new high level, or at least hold on equal terms with that of last year. Prospects of a maintenance of earnings are not quite so good, as higher wages and labor turnover, particularly in the Hamilton mill,

Int'l Hydro Offers Plan

From Our Own Correspondent

MONTREAL. — International Hydro-Electric System, formerly controlled by International Paper Co., has filed with the United States Securities & Exchange Commission, a plan of liquidation in compliance with the month-old commission order for dissolution under provision of the Holding Company Act.

The plan contemplates eventual disposal of interest in six subsidiaries: Gatineau Power Co., New England Power Association, Hudson River Power Corp., System Properties Inc., Corinth (N.Y.) Electric Light & Power Co. and Moreau (N.Y.) Manufacturing Corp.

Distribute Gatineau Stock

The system will distribute as soon as possible 1,434,672 shares of the outstanding 1,439,042 shares of Gatineau Power Co. stock to holders of $26,568,000 6% debentures, due 1944, in exchange for part of their debentures and interest coupons. The exchange rate will be 54 common shares for each $1,000 of debentures.

At present, there exists a market on the Gatineau common stock of $6 a share in Canadian funds. This would mean a distribution of $324 per $1,000 of debentures for Gatineau stock alone.

Securities of other subsidiaries also will be distributed to the debenture holders, as soon as these securities are put in distributable form.

Reorganize Units

The system contemplates that the New England Power Association will be reorganized to conform with S. E. C. simplification action and International Hydro will receive new common stock in exchange for present New England Power shares.

The plan said that a programme is under way for reorganization of Hudson River and System Properties Inc. and that it is anticipated these companies will be merged with only a single class of common stock.

International said it plans a cash sale of its investment in Corinth and Moreau.

Any remaining assets after the settlement with debenture holders will go to International Hydro-Electric system stockholders.

Market Opinions

Despite the recent mild downturn in market prices, commentators this week continue their tone of restrained optimism. No really new market signal is reported.

Barron's, N.Y. (The Trader) — After three years of war and almost eight months in which the United States has been an active combatant, sufficient time has elapsed for the discounting of the worst. Cross currents of the stock market are puzzling to investors and apathy of trading deadens speculative initiative. But when the Treasury itself admits "Effective rates of tax in excess of 80% may constitute a serious threat to the maintenance of a high level of war production and deprive corporations of cash needed in financing war production," and when it adds "A postwar credit is needed to encourage economy and efficiency during the war emergency to facilitate the transition from a war to a peacetime economy," an important milestone has been reached.

While scepticism over such expressions of financial orthodoxy may persist until the tax bill actually becomes law, the mere proposals should in due course lead to a resurgence of the ingrained American optimism that has been repressed for three years.

* * *

Financial World, N.Y.—There is nothing to suggest that the receding tendencies developed by the market this week signal anything more than a minor downturn. As long as the inflationary pot continues to boil merrily, forcing its steam through one price ceiling after another, the tendency will be to add to holdings than to liquidate stocks already owned.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	99
(Base 1935-39=100)												
1929-41:*												
High	345.7	304.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	59.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	83.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.9	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
1942: Weekly Figures:												
Aug. 6	75.4	57.5	61.3	46.1	97.2	76.3	97.4	74.3	67.1	75.4	67.7	61.5
Aug. 13	76.1	58.0	61.6	46.7	96.0	75.3	98.5	74.1	67.7	72.4	68.2	61.5
Aug. 20	77.0	55.4	61.6	47.5	96.2	75.0	101.3	72.7	66.8	71.3	68.1	61.6
Aug. 27	75.5	54.3	61.6	45.6	98.6	74.6	97.6	72.5	66.9	70.4	67.9	61.7

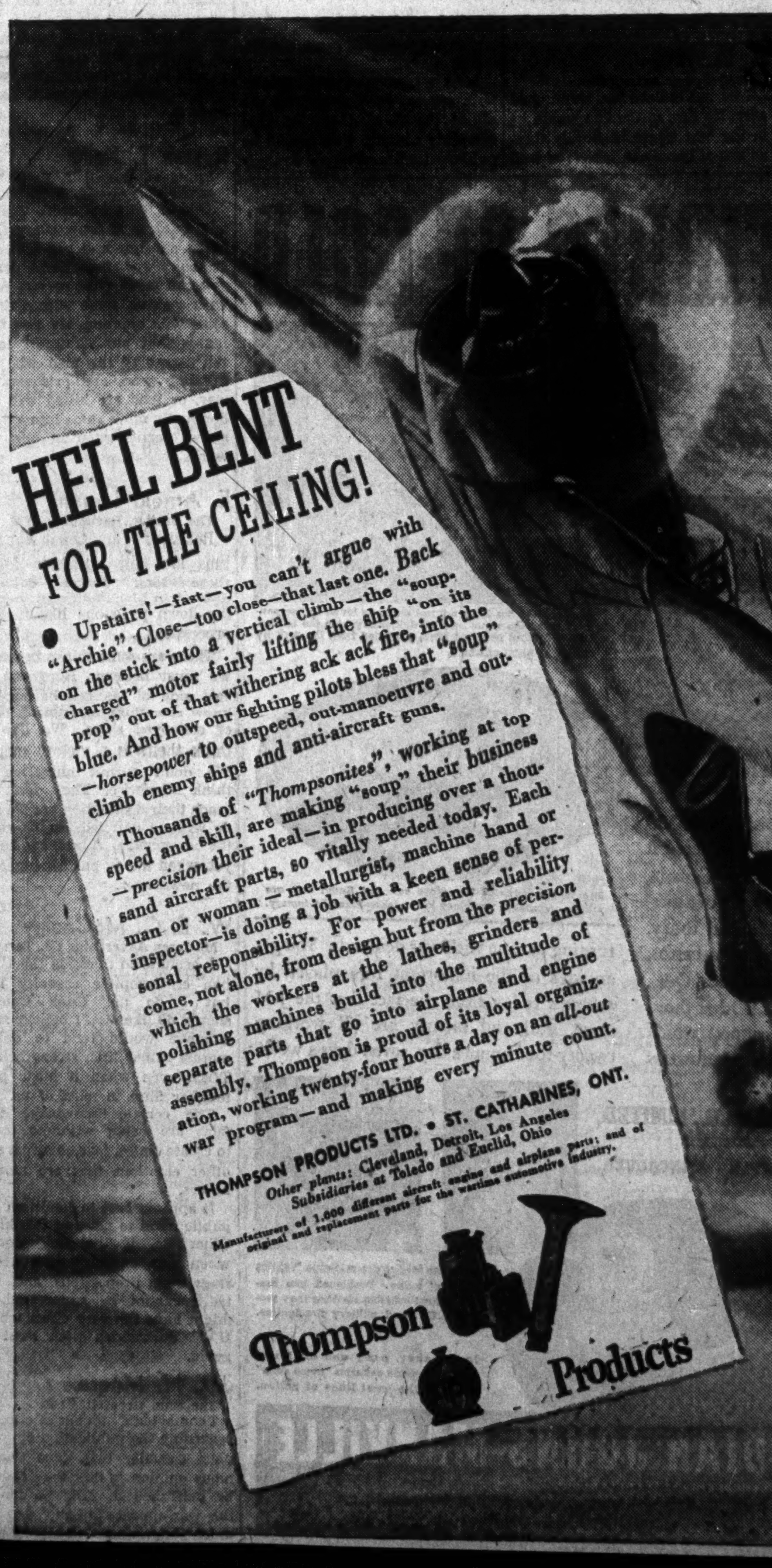
*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Sept. 1	84.47	58.81	59.14	15.46
Aug. 31	84.63	59.01	59.08	15.48
Aug. 29	84.36	58.99	59.05	15.48
Aug. 28	84.51	58.92	59.07	15.46
Aug. 27	84.58	58.96	59.01	15.55
Aug. 26	84.72	59.16	59.00	15.55
Month ago	84.02	61.70	59.82	15.66
Year ago	95.56	101.88	72.38	19.54
High 1942	93.50	83.71	71.01	18.86

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Sept. 1	42.0	54.0	50.0	47.98	38.24
Aug. 31	42.6	54.4	50.5	48.51	38.42
Aug. 29	43.0	54.2	50.5	48.63	38.60
Aug. 28	43.0	54.0	50.3	48.85	38.77
Aug. 27	43.4	54.0	50.5	48.95	38.94
Aug. 26	43.2	54.0	50.4	48.73	38.77
Month ago	43.6	53.8	50.4	52.36	39.43
Year ago	45.1	63.9	57.6	84.87	71.74
High 1942	44.8	60.5	54.7	77.18	[illegible]



Expect P. G. E. Agreement To Be Reached Shortly

From Our Own Correspondent

VANCOUVER. — British Columbians are expecting negotiation of a deal for the Pacific Great Eastern Railway—an event which a few years ago would have provided a major political and economic issue in the west coast province.

Sale of the P. G. E. or acquisition of running rights over its line by other interests would still be a transaction of considerable significance here, but many people are now regarding such a project as a matter of course rather than as a fantastic dream, which would have been the popular conception not long ago.

The epochal happenings in the north country, beginning with the building of airplane bases to Alaska and continuing with the building of the Alaska Highway, construction of a pipe line from Fort Norman and surveying of a proposed railroad from Prince George north, have set people thinking here along lines of northward expansion, and in most of these thoughts the provincially owned P.G.E. assumes obvious prominence.

Seattle Interested

Not only in Vancouver and other British Columbia cities is the P. G. E. being visualized as a link in a new transportation system providing rail communication with the north; in Seattle active interest is being taken in the project because it is realized there that unless something is done to offset the influence of the Alaska Highway and other means of transportation approaching Alaska from the east, the Pacific northwest states are likely to be permanently bypassed so far as land routes to the north are concerned.

Seattle is particularly concerned for her trade with Alaska. In the late 90's no city profited more from the gold stampedes to Alaska and the Klondike than the Puget Sound city, and Seattle will not relinquish its control over this traditionally tributary territory without a fight.

Premier John Hart is eager to sell the P. G. E. if he can get a reasonable price. The government, which has spent some $90 millions on the road, has never been keen to stay in the railroad business any longer than necessary, but only now does there seem to be a chance of making a deal for the road on a mutually agreeable basis. Just what price the government might place on the road is uncertain, but $20 millions has been mentioned. The P. G. E., however, is now paying operating expenses and the government is not anxious to dispose of it at a sacrifice.

Committees representing the Vancouver Board of Trade and the Seattle Chamber of Commerce have been formed to stimulate development of the P. G. E., and a group of American businessmen recently made a tour of the road during which they sized up its possibilities as a link in a rail line between Vancouver-Seattle and Alaska.

The road at present runs from Squamish on Howe Sound to Quesnel. There is some talk of eliminating the line from Clinton to Squamish; to build a motor road over that route instead and construct a rail line from Clinton to Ashcroft or Savona on the C. P. R. This would provide a direct contact with Vancouver without undertaking extension of the line south from Squamish—a project that would probably cost considerably more than the Clinton-Ashcroft cutoff, one being through solid coastal rock, the other across sagebrush hills.

In any event the road would be extended north from Quesnel to Prince George, then on toward Whitehorse in the Yukon and then to Fairbanks, Alaska.

Brown Co. Expenses Top Million Mark

From Our Own Correspondent

MONTREAL.—Approximately $1,046,000 was allowed by the U. S. Federal Court to more than two score individuals, law firms and banks, for fees and expenses in connection with the reorganization of Brown Co.

Maine firms and individuals asked all or part of sums totalling $379,855 last February when all parties concerned had asked a total of $1,423,798. The Securities and Exchange Commission filed a report July 13 recommending allowances of $906,560, which the court scaled upward.

The firm, which makes cellulose from wood pulp, with plants at Berlin and New Hampshire and La Tuque, Que., first sought reorganization under the bankruptcy laws in Sept., 1935. The Reconstruction Finance Corp. loaned the company $6.5 millions last year when the reorganization plan was approved.

Windsor, Essex Can Better Par

Remaining assets of Windsor, Essex & Lake Shore Electric Railway Association have a cash value in excess of the amount required to enable bondholders to receive the full principal amount of their original investment, holders are advised by Guaranty Trust Co. of Canada, trustee. Total distribution to bondholders from liquidation of this business so far has totalled 84.7% of face value.

Guaranty Trust states that some of the holders would favor an immediate sale of the remaining assets. A questionnaire is being sent to registered holders to get an expression of their wishes on this point.

Assets being administered by the trustee include $297,260 par value of Windsor 3¼% debentures, $51,710 par value Twp. of Sandwich East debentures and $50,600 par value Twp. of Sandwich West debentures.

The trustee notes that its action in retaining these debentures has considerably benefitted holders in view of their substantial market appreciation, and it is suggested that the Windsor debentures may go higher. It is stated that the delay in disposing of these assets is not consuming the principal available to bondholders and the trustee's normal liquidation remuneration will apply whether the assets are sold now or later.

The Bondholder

Bond traders this year have found comparatively little time for their ordinary pursuits in the market. The Second Victory Loan in February meant a disruption of markets and staff for a period of several months. Shortly after things had straightened away, the usual summer doldrums were on while periodic trips to the field to keep the local war finance machinery in smooth running order also helped to slow things down. Right now, lining up of personnel for the next loan is going on. As a result of this anticipation of the next loan ordinary trading is again down to a walk, and seems likely to continue so until this financing is out of the way.

• • •

Reviewing bond prices over the month of August, only comparatively minor changes are evident in most cases. The newsprint group showed more of a concerted swing during the month than any other section as Consolidated Papers lost about five points while Abitibis and M. & O.'s each lost about two. Drooping newsprint production rates combined with increasing fears over the effect of power diversion was the background for this market markdown. Most spectacular advance of the month was recorded by International Hydro 6's which moved up from 32 to around 45 bid. Already much discussed, hopes of a high break-up value for the debentures pushed this issue higher.

• • •

Comparing Abitibi bonds with those of Consolidated Paper, Plaxton, Cherry & McDonnell, Toronto, conclude that the former are more attractive from the market standpoint. Abitibi has working capital of $22.4 millions against Consolidated's $14 millions, or $465 per $1,000 bond against $285. Earnings per $1,000 bond in 1941 for Abitibi were $209 in comparison with Consolidated's $177.

It is pointed out that Abitibi has developed water power of 182,073 h.p. and undeveloped water power estimated at between 350,000 and 400,000 h.p. It is noted that these are valuable assets and in recent discussions, a figure of $20 millions was mentioned as representing their worth. The comparison goes on that Consolidated may be affected by the diversion of power to war industries, but that it would appear that Abitibi will not be subject to such diversion, except possibly at Beaupre. Any production lost at this point could easily be replaced by surplus capacity at other mills, it is held.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Wood, A. & J. .. a$29,500.	a6%	1944	Oct. 1	103

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Provincial—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Saskatchewan	July	Dominion Securities, A. E. Ames & Co., Wood, Gundy & Co. (sold privately)	4%	1944	$7,475,000	.....	.....
Dominion							
Canada Treasury Bills	Aug.	....	...	Nov. 27, '42	45,000,000	99.867	0.533%
Deposit Certificates	Sept.	Chartered Banks	¾%	Mar. 2, '43	40,000,000	100	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Congregation Des Hospitalieres De La Misericorde De Jesus	Aug.	Paul Gonthier & Co.	3½%	1944-49	$215,000	100	.....
			4%	1950-65	885,000		

Bathurst Power Boosts Income

Half Year Results Show Marked Betterment in Finances

From Our Own Correspondent

MONTREAL.—Bathurst Power & Paper Co. reports substantially increased earnings, after depreciation and depletion but before provision for income taxes, during the six months ended June 30, 1942.

Net profit, on the above basis, amounted to $881,282 in the first half of 1942. This contrasts with $645,203 for the same period last year, an increase of 36.6%.

Dominion income and excess profits taxes, it is stated, are being accrued currently at assumed rate aggregating 40%. However, the final liability for such taxes is uncertain and an adjustment of the tax provision may be necessary before the end of the year.

The tax liability for 1940 and 1941, it is added, likewise is subject to final determination by the income tax division of the Department of National Revenue.

More Working Capital

Current assets at the end of last year amounted to $5,049,605, including cash and marketable securities of $1,673,130. With current liabilities at $1,072,982, net working capital was $3,846,305 as on March 31, and $3,649,709 as of Dec. 31, 1941.

It is officially stated the balance of $105,000 on purchase money notes was paid off in full in June.

Bond Tenders

5 p.m., Sept. 21, Village of Val Barrette, County of Labelle, P.Q.—$10,000, 4%, dated Oct. 1, 1942, maturing serially from Oct. 1, 1943 to 1952. E. Forget, sec.-treas.

5 p.m., Sept. 14, Drummondville, P.Q.—$62,500, 3½%, dated Sept. 1, 1942, redeemable serially from Sept. 1, 1943. J. Marier, clerk.

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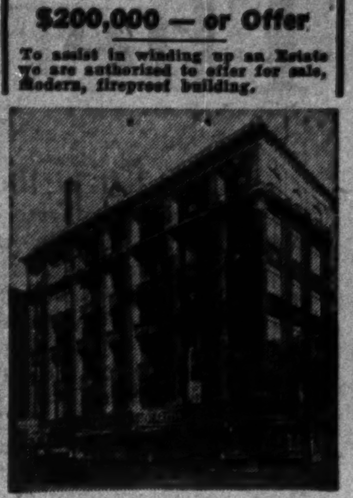

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Power Corp. Group Report Lower Output

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada's subsidiary and affiliated companies report a power output in July of 210.2 million kw.h. This was slightly less than for the same month a year ago, declines being registered by Canada Northern Power and Winnipeg Electric.

Comparative returns follow:

July	1942	1941
B. C. Power	57,435,161	50,143,098
C. N. Power	52,871,709	61,866,490
East Kootenay	10,340,028	9,952,478
Northern B. C.	1,616,152	1,247,820
South. Canada	21,695,640	19,630,470
Wpg. Electric	66,212,700	71,581,600
	210,171,390	214,421,954

New Books

Outstanding War Book

RETREAT TO VICTORY by Allan A. Michie. Published in Canada by Longmans, Green & Co. Price $4.

Scottish-born, U. S. educated Michie arrived in Britain the day war was declared and has spent most of the three years following in the Mediterranean theatre of war, the Near East and India writing for Time—Life—Fortune.

This is perhaps the best thing written so far about the warfare in North Africa. It tells less of the human interest anecdote material that fills so many books of returning war correspondents and gives interesting and informed reports on military activities, qualities of the chief personalities involved, weapons, etc.

"I believe," he says, "that it is in the Middle East that the whole future of the United Nations and the very destiny of the world will be decided. It is in the Middle East that the decision will be made whether the war can be won in a year or two or drag on for a decade or more. . . . If we lose the Middle East, the United Nations will be faced with a prolonged struggle of five, ten, fifteen years. It is impossible to predict that we could even win at all."

The title of this book comes from the author's argument that the United Nations' plan for victory has been one of holding, moving back, fighting delaying actions—until they are ready to give the final coup de grace. Thus, he argues, the disaster at Crete was a victory because it slowed down the German advance, because it spoiled Hitler's plans for action in the Middle East and spoiled the timing of his 1941 attack on Russia.

His picture of war de luxe as it was at times fought from the cocktail lounge of swank Cairo hotels amplifies what most Canadians have heard before. His report on British censors is filled with fire and brimstone, and coincides with what has been reported in other sources.

Michie won't like Auchinleck's transfer away from the Middle Eastern front. He says: "Those of us who have seen the British Commanders who have come and gone in this war . . . think (him) the best general Britain has."

Michie's tribute to Britain"s part in the war is perhaps the most outstanding paid by a "foreigner" so far in this war.

The Russia Beyond Alaska

SOVIET ASIA, DEMOCRACY'S FIRST LINE OF DEFENSE by R. A. Davies and Andrew J. Steiger. Published in Canada by Longmans, Green & Co. Price $4.

This team of authors brings together into reasonable compass and readable form interesting information about eastern Russia, the Russia beyond the Urals, the Russia which lies just beyond Alaska.

Raymond Arthur Davies is a native of Canada and a busy free lance writer. Andrew Steiger is U. S. born, has been a translator in Moscow for newspaper bureaus and has written some articles.

One gathers that Steiger who has travelled the regions covered by the book provided some of the information and all of its color; that Davies did the writing.

While the authors have not been able to get at the facts of Russia's real military strength, her reserves and her potential—facts which even her allies, Britain and the United States, do not yet seem to have got, they have collected evidence from a

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HERE I WAS ON "OLD FAITHFUL"

by WALLACE REYBURN

Wallace Reyburn, war correspondent for the Montreal Standard, spent six and a half hours ashore with Canadian troops at Dieppe. The Regiment he went in with was the first to land and last to leave. Today's war correspondents aren't satisfied to write their despatches from behind lines. They get right in there with the fighting men and share their hazards. Reyburn, who was injured by shrapnel, had to swim out with men to the landing-craft under a barrage of fire which the Germans were concentrating on the shore line. The first barge he clambered onto sank. He swam to another only to find when he got into it that it was overloaded. A ship eventually took them off and out to a destroyer lying a mile or so off shore.

London, Eng. (By Cable)—It was one o'clock in the morning and I'd just come back from Dieppe!

You've heard people describe to you "the most wonderful drive I ever had in my life". Maybe it was across Rockies or through Grand Canyon or just along Lakeshore Boulevard with a gale pounding huge waves up on to the roadway. But now I know definitely what is the most wonderful drive I ever had. There wasn't any beautiful scenery on this trip. It was through grimy docks of a South of England port!

My swim out from the beach with the Canadians had left me clad only in a pair of underpants, army boots and blanket which the ship's steward had wrapped round me. The press liason officer met me at the gangplank as I came off and said "I've got a room for you at the hotel, the car's ready". We climbed into the press car and joined a huge convoy of army trucks taking Canadian troops out to their billets. I remember stretching back in my seat, lighting up a cigarette and feeling a surge of relief at being back on solid ground again.

I'd ridden in this Chev. many times before on interminable jaunts among troops in England, collecting material for articles on their training that led up to their grand showing at Dieppe.

Out there on the beaches and in the streets of Dieppe there had been moments when you wondered whether you would ever come through it alive and be back among old familiar things again.

But here I was on "Old Faithful" as we call her, once more, and was I glad to be there!

This personal despatch from Wallace Reyburn inspires General Motors to pay its humble tribute to the men of the Dominion who wrote the imperishable epic of Dieppe! They gave their utmost and such service as theirs cannot be emulated except in the very battle-smoke. But they were, and must be, supported, and General Motors of Canada—proud that the war equipment from its factories is to be found on every fighting front—pledges itself to produce that equipment to the last resource of its men and machines.

CANADIAN-BUILT GM WAR PRODUCTS ARE SERVING IN EVERY THEATRE OF WAR

The Editorial Page . .

Our Job in the U. S.

Few will quarrel with the government's decision to revise the public information bureau and to establish branches at Washington, New York and other vital American news centres. It is now up to Charles Vining, veteran public relations man, who heads the new organization. From his own personal investigation of our information problem in the United States and from his own experience with many phases of publicity in Canada Mr. Vining qualifies for the job in hand, probably as well as any other Canadian citizen.

Much misunderstanding and confusion would have been saved had we had a properly functioning information bureau in the United States from the beginning of the war. This would not have been a mere propaganda machine designed to push our neighbors into the war but a medium for letting Americans know the true facts of Canada's war effort, for refuting the damaging lies and rumors spread by enemy agents. As The Financial Post stated a few months after Canada entered the war:

"Canada has no right and no desire to tell the American people their business nor to give them advice. But Canada has a right and an obligation to tell the American people Canada's business. Our chief business at the moment is war."

Since that time we have urged Ottawa repeatedly to take the step which was finally announced last week. From letters of American friends, from Post editors' personal visits, it was abundantly apparent that the average citizen of the United States had not the faintest conception of Canada's war contribution. He knew little or nothing of the size of our army already overseas, our major part in the Empire air training plan, of our own substantial assistance to Great Britain, of the flow of munitions and equipment from Canadian factories to every field of war. Not knowing these things he was an easy prey for the most disturbing rumors and lies that energetic friends of the Axis were only too ready to circulate.

Since the entry of the United States into the war most of these paid detractors have been locked up or driven undercover. It may not be necessary for Mr. Vining and his assistants to combat deliberate Nazi lies but there still remains the problem of keeping American public opinion informed.

The Pool and Farm Debts

An editorial of two issues ago in The Financial Post has the Saskatchewan Wheat Pool sorely disturbed.

In a meticulously careful statement published in the Leader-Post, Regina, the Saskatchewan Wheat Pool complains that The Financial Post did not quote in toto a memorandum and a letter written by a Wheat Pool official and it charges The Post with distortion.

The Wheat Pool statement—over a column long—fails completely to show The Post guilty of distortion. It simply confirms and gives greater publicity to The Post's earlier contention that "a brazenly, cynical letter of the Saskatchewan Wheat Pool urges farmers to wiggle out of as much debt as possible." It lends additional weight to The Post's contention that "turning debt adjustments into a racket will ultimately mean that the honest, drought-ridden farmer who really needs such relief will be unable to get it. It puts a premium on poor management, laziness and those principles of conduct which Canadians generally do not hold to be honourable."

The Post did not quote in toto the material in question because in no respect did the parts not quoted change or ameliorate the significance of the portions which were quoted.

The Wheat Pool statement does not deny that an official of its country organization department wrote a circular letter urging farmers to use debt-adjustment machinery to get their debts written down; recommending that "a farmer should not be too optimistic in the amount he thinks he can pay" and that "he should ask for plenty."

In its run for cover the Wheat Pool makes a completely false statement. It says:

"Nowhere in the correspondence to which The Financial Post has referred is there any suggestion that a letter urging farmers to ask for plenty was sent out at the instigation of members of the boards of review."

This is direct distortion. The Post neither stated nor implied that members of the board of review "instigated" the letter. But The Post did say the government should at once enquire into the implication of this statement that two judges of the boards of review "concurred in" the appeal that farmers should ask for plenty.

To let readers judge for themselves, we quote from the material which we now know the Saskatchewan Wheat Pool dearly wishes we had never seen:

"You may be interested in knowing that our programme was sent out as a result of a conference held between the association of rural municipalities, the U.F.C. and Wheat Pool with Judge Brown and Judge Anderson of the Boards of Review."

We reaffirm our earlier contention. "The Saskatchewan Wheat Pool ought to have a higher sense of responsibility and better judgment as to the real interest of farmers than to counsel debt-dodging now."

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with postwar employment and relief problems.*

Automobiles Are Vital

Reports from Ottawa indicate that another cut in gasoline rations is imminent and there is also a hint of eventual confiscation of privately owned passenger cars. In some quarters the tendency is to regard such a trend as of no great consequence. A rather typical comment from a contemporary is: "We will simply go back to the days of our grandfathers and they did well enough."

But it is not going to be as simple as that. Our economic life has greatly changed since the days of our grandfathers. Tempo has speeded up again and again. One man today with a modern implement can harvest as much grain as 20 men could in the old days and that same general speed-up applies right through every industry.

We are living in a machine age and not the least important part of that age is transportation. In this the privately owned motor car forms a vital link. In a great many communities it still remains the only means of transport, and overburdened railways and buses offer no relief. We are not going to eliminate the automobile entirely without a great jolt to our way of living; above all without a grave threat to our industrial war production.

This does not mean, however, that the authorities for one minute should continue to countenance joy riding; just the reverse. The privately owned automobile for business transportation is so essential to the war effort that it must be conserved in every possible way. Its life and the life of the tires under it are too precious to be wasted in unnecessary driving.

Justice and Wartime Controls

On order of the Oil Controller, G. R. Cottrelle, 233 gasoline service stations across Canada were shut down for a week. Explanation given for this action was that in each case there had been infringement of rationing regulations.

Decisive action to punish breach of wartime regulations is essential. For the guilty, loss of one week's business was a fair, perhaps modest penalty.

But this method of enforcement and of imposing retribution has grave dangers. By this method, the Oil Controller is policeman, prosecuting attorney, judge, jury and conscience of the Canadian people all combined. The operators of the 233 stations were not haled into court. No case was proved against them. No appeal is available to them, a fact which of course is mainly of hypothetical interest since in any case they are penalized by one week's loss of business.

Wartime necessity requires that government have extraordinary powers. Legal short cuts may be necessary. The effect of this "blitz" against some service stations may have an excellent effect on all operators liable to slip into breach of the rationing regulations.

The summary penalty of one week's loss of business will be as near an approximation to equality for all as could be imagined. The big operator's penalty is big; the little man's little. It works with equal force right across the country.

On equality of penalty, the summary method likely works out much better than if individual offenders were brought before Magistrate's courts. There, big operators would very probably get about the same penalty as the small. In some Canadian centres magistrates might consider an offense against the rationing and wartime controls a matter of considerable gravity. In other centres, magistrates might regard such offenses unimportant and deal with them accordingly.

The democratic system of justice, however, is very precious. It is an inherent part of the things we and the United Nations are fighting to defend. The summary system, whatever its merits or its justification for an emergency situation, is law enforcement as practised by our enemies.

Canadians will have to make a special point of remembering all the rights they have turned over to government for the duration; all the institutions they have let government emasculate.

These are things citizens must make sure they reclaim and get back unimpaired after the war. Above all, we must watch very carefully the men we elect to public office to make sure that they really believe in democracy. Otherwise, some of our representatives may be found traitors to our national aspirations and we shall have beaten totalitarianism abroad; be beaten by it at home.

This Blockade Inexcusable

Over a year ago the Hydro-Electric Power Commission of Ontario applied to Ottawa for approval of their final plan to divert the Ogoki River. This would have two purposes: provision of new water to develop more power at Niagara Falls and on the Nipigon River, and incidentally providing sufficient power on the Nipigon to develop Steep Rock Iron Mines.

Ottawa approved in principle; a stand which was further fortified by the draft agreement between Canada and the United States on the St. Lawrence waterways development.

But the actual permission for the diversion has to be okayed by the Department of Public Works.

Public Works officials want the H.E.P.C. to agree that it will turn back to Ottawa all lands adjoining the diverted waters whenever called upon to do so. This, of course, means that, whenever Ottawa takes the notion, it could call upon the H.E.P.C. to turn over lands on which it had built its plants, dams, flumes, etc., which virtually means, turn over the whole works.

Ottawa legal authorities are understood to have told the Public Works pundits that they cannot legally do what for a whole year they have been trying to do.

Because the H.E.P.C. foresaw the power shortage which is now becoming acute, it went right ahead with construction of the Ogoki plant. It will have the job completed and the needed water available early next spring.

Though the stalling by Public Works has not actually so far held up work on the project, Ontario Hydro may be forced into an entirely unnecessary position of risk because of the stand taken by Ottawa in the past. It is to the effect that a project cannot be approved after its completion.

The Ottawa blockade for this project would be reprehensible at any time; in wartime, it is intolerable.

Editorials in Brief

Design on the new coupon ration book has been described as "faintly suggestive of a cubist's conception of a sunrise." The author of that description certainly never had a close-up view of the head of an ordinary sunflower.

Cartoon by Grassick.

TOO BAD WE DON'T HAVE MORE OF THAT UNITY ON THE HOME FRONT

Post-Scripts . . . .

Vining the Hustler

Charles A. Vining, who will head a revised and enlarged Wartime Information Board at Ottawa, is generally regarded as an ideal selection.

Born in Winnipeg 45 years ago, educated in Woodstock, Ont., and Toronto, Charlie Vining served over a year in France with the Princess Pats during the last war. While attending university Vining achieved a measure of fame as one of the joint editors of the Goblin, a humorous paper which had a wide following at one time. After graduation he joined the Toronto Daily Star as a reporter in 1921. After a spell as managing director of the London Advertiser, he returned to the Toronto Star Weekly as associate editor. From there he went to Cockfield, Brown & Co., one of Canada's largest advertising agencies.

MR. VINING
—Blank-Stoller.

While with this firm Vining became interested in the newsprint industry. Shortly after the N.R.A. came into effect in the U. S. the newsprint industry organized the Newsprint Association of Canada. For some months it operated under a temporary head. The post was offered to Vining in 1934 and since then he has worked to co-ordinate the efforts of an industry that has been notable for the independence of the individual members. Under his direction, the industry adopted prorating and accepted a number of other changes in marketing which have tended to bring about a greater degree of stability.

As president of the association, Charlie Vining came in contact with all the principal publishers in the United States and Canada, as well as those overseas; an asset which will be of great value to him in the new work. In his personal contacts with these publishers he did much to improve Canada-U.S. relations. But he was never satisfied with these individual efforts and strongly urged upon the government the necessity of doing an all-embracing job of public relations in the American field.

Nearly a year ago, he was all set to go to New York and establish a bureau of information. Principally because of the opposition of the Canadian Minister in Washington, the proposal fell through. Previously he had obtained leave of absence from the Newsprint Association to take on the new work. When the American job fell through, he turned his hand to help organizing the publicity section of the Wartime Prices and Trade Board.

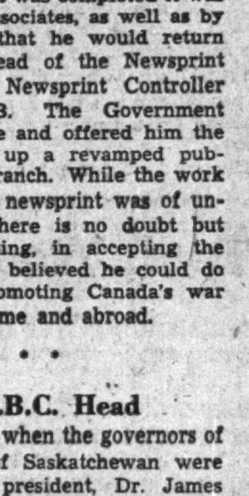
Not long ago Mr. Vining returned to the newsprint association. His work with the W.P.T.B. was ended and there was pressing work to be done in connection with the industry's problems. However, he still found time to make a study of Canada's publicity effort in the States. His findings were incorporated in a report which the government refused to table in the House. Many radical changes were recommended by him.

Once this report was completed it was thought by his associates, as well as by Vining himself, that he would return to his job as head of the Newsprint Association and Newsprint Controller for the W.P.T.B. The Government thought otherwise and offered him the post of heading up a revamped public information branch. While the work he was doing on newsprint was of undoubted value, there is no doubt but that Charlie Vining, in accepting the government post, believed he could do still more in promoting Canada's war effort both at home and abroad.

• • •

New C.B.C. Head

Five years ago, when the governors of the University of Saskatchewan were seeking a new president, Dr. James Sutherland Thomson's name was brought to their attention by Sir Robert Falconer, former president of the University of Toronto, and Dr. Stanley Mackenzie, former president of Dalhousie. Dr. Thomson was represented as "a very able man, an effective public speaker and of an agreeable and vigorous personality." He had established a reputation for great tolerance and breadth of view, and, from his other activities, he had become known as the possessor of a keen and capable interest in public and international affairs.



DR. THOMSON
—Thams Studio, Saskatoon.

Since his arrival in Saskatoon in 1937 it is generally agreed that Dr. Thomson has fulfilled expectations, and the qualities which were then noticed and admired have now led to his appointment as general manager of the Canadian Broadcasting Corporation.

Dr. Thomson surprised his professors at University of Saskatchewan by his intimate and accurate knowledge of local conditions before his first year was over.

He has been a member of the Canadian Institute of International Affairs and of the Council of the League of Nations Society at Ottawa. For some time he has contributed a column in the Dalhousie Review on current politics, and during the present summer he delivered a series of six lectures over CBC on youth in the postwar world.

He is grounded and schooled in the philosophy of the Presbyterian Church. He received a master's degree with first-class honors in philosophy from the University of Glasgow in 1914. After the war he held the Clarke Fellowship in Philosophy at the same institution and later graduated in theology. His scholarly training and his years of teaching philosophy and systematic theology at Pine Hill Divinity College at Halifax from 1930 to 1937 have stood him in good stead, for he approaches all problems from the scholar's impartial point of view and with the philosopher's tolerance.

A life spent in the study rarely equips a man for public responsibilities, and Doctor Thomson himself has said that if he had not been a soldier in the ranks in the last war he would never have been a university president. He enlisted with the Queen's Own Cameron Highlanders in 1914 and in the army he learned to know men and to handle them. He went through the thick of the fight with Gough's army in France. Once he found himself converted from a very junior subaltern to a very senior officer in one day because all his superior officers had been wiped out. In the last years of the war he was sent as an instructor in methods to teach the American troops, and became acquainted with American ways and thought long before he first came to this continent in 1930.

He learned other things as a parson in Coatbridge, Scotland, a mining district.

Doctor Thomson has had a distinguished career in the educational world. From 1924 to 1930 he was secretary for Youth and Education of the General Assembly of the Church of Scotland. In 1926 he attended the Youth Conference at Geneva and Helsingfors. Victoria College, University of Toronto, bestowed the honorary Doctor of Divinity degree on him in 1936. He has been a special lecturer at different institutions and has been appointed Nathaniel W. Taylor lecturer at Yale University for 1942-43.

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New Czar of Chemicals

Edward T. Sterne is Canada's new chemical controller. If you hear him called "Tilley" instead of "Ed" you will know that the connection dates back to college days at Queen's University. That was his nickname in those days and whenever he meets an old friend the name invariably crops up.

MR. STERNE

Ed. Sterne was born and brought up in Brantford. The reason he went to Queen's was a straight matter of dollars and cents. He had just $80 in his pocket when he started his college career. The fees were moderate at Queen's and so was board and lodging. There seemed to be a better chance at Kingston of using hands and head out of lecture hours in the way that Ed. Sterne knew they must be used if he was to pay his way.

When student Sterne decided to take industrial chemistry at Queen's he was the only man taking that course. When he got his degree he lectured at Queen's for two years then took a postgraduate course at University of Chicago. The Great War intervened and he enlisted in the Engineers. He attained the rank of Captain (he is now a Major but never uses the title), but was very quickly seconded to take the job of chief chemist for the Imperial Munitions Board explosive plant at Trenton, Ont. After the war he went to England as foreign technical representative of the Shawinigan Water & Power Co.

In 1920 he returned to his father's company, G. F. Sterne & Sons, Ltd., at Brantford, founded originally to manufacture and distribute stove cement. When Ed. joined the firm it expanded into its present role of "chemists to industry" although he maintains that until the present war comes along, he was just a "peddler" of high temperature cements, fire brick, bakelite coatings and other like products used by industry.

Until his appointment as chemical controller to succeed J. D. Lorimer, Sterne had a fulltime war job at Montreal as director of the explosives division of Allied War Supplies, Ltd.

Ed. Sterne has always been prominent in community life and activities. But there is one job for which he may get no credit. This is his membership on the commission which developed the Shand Dam near Fergus, Ontario which is the long-mooted co-operative enterprise for conserving water and power in the Grand River Valley in western Ontario. When the dam was formally opened a few weeks ago by Premier Mitchell Hepburn, it was found that the official tablet perpetuating the names of the Grand Valley Commission had been inscribed with Ed. Sterne's father's name instead of his own.

Other People's Views . . . .

The Canadian Editorial of the Week

Missed Emotional Appeal
Ottawa Journal

What a great psychological moment Prime Minister King missed on the night of Dieppe. Here was an hour when the cables flashed news that struck deep in Canadian hearts. Our boys had met the Hun on the old soil of France where their fathers had met and beaten him a generation ago; had taken the Union Jack back to the land whence it had been carried with Dunkirk. There were Canadian casualties. Here, surely, was the great moment; the hour for the Prime Minister of Canada to tell Canadians that from this moment on there would be no manacles upon this country's effort; that henceforth every strength and substance of the land would sustain the men who fought and fell at Dieppe.

What an inspiration that would have been to all Canada! What a signal to the fighting spirit, the morale, the unity, of all our people!

The signal wasn't given. Instead we heard the Prime Minister of Canada in the old threadbare rhetoric; in the old promises of something to be done some other day.

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As Others See Us . . .

A Bad Precedent
Windsor Star

In the hectic rush to close up Parliament and get away from Ottawa, the members did not waste much time in scrutinizing estimates which ran into millions. One item of $496,895 received no consideration at all and was passed in no longer time than it took for the Speaker to place a written statement—which the members did not see till next day—on Hansard. This was the Clerk's estimate for the general administration of the House of Commons.

The Financial Post has drawn attention to the unusual nature of the procedure whereby the report on this branch of expenditure was placed on Hansard without even the consent of the House.

In the United States Congress it is permissible for members to place on the record speeches which they never actually deliver, but this seems like an innovation in Canadian practice where it has not been usual to place controversial matter on Hansard without any opportunity for discussion by members. The incident appears to be another illustration of the way Parliament is slipping. Under W. L. M. King's leadership it is tending to lose its character as the arbiter of national affairs and to become more and more a rubber stamp for the Government of the day.

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No More Millionaires
Midland Free Press Herald

Somebody is always taking the joy out of life. The Financial Post is the latest brutal offender.

"It is now a practical impossibility for any individual Canadian to become a millionaire," says The Post. And when The Post says so that is final.

We are told that in other decades a man who had an income of $50,000 a year was rated a millionaire, since that represented a 5 per cent yield on a million dollars.

But just try and get $50,000 a year today. You try. We gave up long ago.

It never has been done by a weekly newspaper publisher to our knowledge. Most of our friends in the game haven't done any more than think about what a nice thing it might be to do after they quit printing papers. And now The Post says that it is not even worth while thinking about any more. That's tough.

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The Mind of the C.C.F.
Moose Jaw Times-Herald

The mind of the C.C.F. is peculiar—it is different from the mind of other political parties. As the mind differs, so also does the argument which comes from it. The C.C.F. insists on the nationalization of industry, believes in taking in also the banks and financial institutions.

Normally a party supporting that programme would try to prove that industry, under government control, would be more efficiently managed than it would under private ownership. No leader of the party attempts to do so. If the rank and file take up the challenge it is done in the most casual and ephemeral way, based generally upon the assumption that production for use and not for profit will lower costs and give to the nation a higher standard of living.

In support of this theory, we are asked to believe that the profits of industry, especially in wartime, are tremendous.

According to a statement published by The Financial Post, corporate dividend payments in 1940 show an increase of $2,000,000 over the average for 1936-39 against $496,300,000 increase for wages and salaries. Industry makes no protests, as indeed it should not. It employed these men, was glad that it had the capital which permitted this to be done, and expected no particular credit from functioning as it should do.

The facts should be recognized. There never was a time in the history of the world—there never was a war in the history of the world—when the allegation of profiteering carried with it such significant implications. Words which sting and smear should be used with precision and discretion—never adopted against those who might, if they chose to do so, have apt skill in returning the insinuation.

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Sink Holes For Taxes
Montreal Herald

"Show me where money is wasted in unnecessary expenses" has been the repeated challenge of the Minister of Finance to repeated demands in parliament urging economy in non-war expenditures.

About the only answer to this challenge has been a proposal by Mr. Hanson to fire some of the page boys in the House of Commons. None of the members seems to have made any independent research with a view to offering helpful suggestions.

The Financial Post, however, has undertaken to prod for details and already has unearthed some interesting examples.

Probably with diligence many more such examples can be found. Perhaps it is too much to hope that M.P.'s will search for them. They are good on making demands for economy, but stronger on making demands for more expenditures in their own particular constituencies.

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Sayings of the Week

"I am still optimistic enough to believe in eventual victory for the United Nations. But I say, with the utmost seriousness, that you should meet and deliberate during these days with the realization that this might be your last convention. If we are once defeated, you will never convene again."—*Elliott M. Little, Director of National Selective Service, before the Trade and Labor Congress at Winnipeg.*

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"It is clear that to keep employed the 300,000 pilots and million mechanics we will have at the end of the war, air carriage will have to invade the heavy freight field."—*Dr. John H. Frederick, professor of transportation, University of Texas.*

• • •

"We have got so used to freedom that we forget that it was won by centuries of struggle and that it never ceases to be a delicate plant which requires constant tending. Without this constant tending, it could easily die, and it is on the high-road to the grave now unless we do something about it in time."—*J. M. Macdonnell, president, National Trust Co.*

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Stop Me If . . .

An American recently fell into conversation on the mail boat to Dublin with a young Irishman who said, on being asked, that he "hated the English."

The American suggested that they were at least preferable to Germans. The Irishman grudgingly agreed. "Well, then," said the American, "you probably prefer a British victory?" The Irishman nodded slowly. "In that case it would be logical, would it not, to do something to help the British to win?" asked the American. "I suppose so," came the Irishman's reluctant answer, "and perhaps I should explain that I am myself a fighter pilot in the R.A.F. going home on leave."

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Beef Shortage Tightens in Eastern Canada

Cattle Marketings Dwindle as New Quota Prices Awaited

Eastern Canada is moving into what may prove the most severe beef shortage of the war to date. The volume of cattle passing into packers' killing yards has dwindled to a meandering trickle. Most of the beef available must go to the military services; little is left for civilian consumption. So drastic is the shortage already that last week Ottawa had to step into packers' refrigerators, requisition stocks for the army that ordinarily would have gone to civilian customers.

Best guesses are that there will be no relief for the tight beef situation for at least another month. Oct. 1, the new beef quota opens. At that time, experts anticipate a renewed flow of cattle from the farms to the stockyards.

Rush to Market

First reason for the drying-up in cattle shipments from the farms is that so many cattle were rushed to market to take advantage of the higher prices paid by Wartime Food Corp. that many a farmer just doesn't have anything available to send.

Wartime Food Corp. has to meet prices in the United States market; when its quota for the September quarter was filled a couple of weeks ago it stepped out of the market. To stay under the price ceiling, packers could bid only somewhere around three cents a pound less than the Wartime Food price. To get that three cent edge, farmers rushed their cattle to market.

Holding Cattle Back

Second reason for the beef scarcity is based on a farmers' gamble that export prices will hold up until the next quota opens. If those prices do hold, it will mean an extra $15 to $30 a head—well worth taking a chance on and holding cattle off the market for another month. What cattle are coming in are usually the lighter varieties; weighty steers that draw down the best market prices are reported not coming in at all.

Ordinarily, cattle exports to the United States up to 51,000 head a quarter are subject to a duty of 1½ cents per pound. Over that quota a duty of 3 cents a pound goes on. So far as the United States is concerned the September quota has not yet been filled, which still would leave the 1½ cent duty in effect.

However, Wartime Food Corp. has purchased sufficient cattle at U. S. export prices this quarter to have filled that quota and an embargo has been placed on further cattle shipments across the border until the new quota opens. To export cattle to the U. S., a permit is required, and permits are not being granted.

Only alternative for the farmer is to sell his cattle in the domestic market or wait for higher prices he can hope to get when the new quota opens in another month.

Indication of how cattle marketings have fallen off is the fact that cattle sales in 11 stockyards across Canada during the week ended Aug. 27 were 13,749 head, as compared with 20,968 in the same week of 1941. Significant from the standpoint of eastern Canada is that sales in Toronto yards during the week dropped to 3,237 from 7,785 a year ago while Montreal sales were down to 1,253 from 2,789. In western yards declines were much less marked.

Heavy earlier marketings allowed total cattle sales for the first 34 weeks of the year across Canada to be maintained at 494,940 head against 483,129 for the same period of 1941.

Wartime Food Buys

Operations of Wartime Food Corp. are evidenced by most recent statistics on cattle exports to the United States. Starting operations with opening of the July export quota, Wartime Food Corp. up to Aug. 27 purchased 50,239 beef cattle. Exports to the U. S. from July 1 to Aug. 27 dropped to 21,161 head from 39,439 during the same period of 1941. In the week ended Aug. 27, Wartime Food purchased 1,873 cattle while exports to the U.S. totalled 1,826 as compared with 5,793 the same week a year ago. In the first 34 weeks of 1942, beef cattle exports across the line amounted to 120,232 head as compared with 89,638 for the same period of 1941.

The Week in Business

Business indices available this week show changes continuing narrow. Reflecting the capacity operations of the Canadian industrial machine, seasonal fluctuations are not so marked as they would be ordinarily.

This condition is particularly true in the more industrialized East. Heavy grain marketings from the season's record crop are having a stimulating influence on business conditions in the western provinces.

Final July figures for The Financial Post business index indicate the condition mentioned above. At 163.6 the index compares with 165.7 in June and 164.9 for July, 1941.

Department store sales advanced strongly during July with the index climbing to 145.1 from 134.0 in June and 132.5 a year ago.

Dividends to shareholders of Canadian companies as measured by the Nesbitt, Thomson & Co. index showed some improvement during August to 123.5 from 122.6 in July and 118.9 in August, 1941.

Carloadings held steady during the latest week with the total practically unchanged from a year ago. For the year to date, loadings are up 8.2%. C.P.R. net revenues for the first seven months advanced 9%.

Construction contracts awarded continued their trend lower during August with total of $31.7 millions during the month comparing with $36.1 millions in July. For the first eight months of 1942, contracts awarded were down 29.8%.

Power demands continue to accelerate. For the first six months of the year electric power output was 17.3% higher than for the first half of last year.

	Aug.	July	June	May	Year Ago
The Financial Post business index	....	*163.6	165.7	168.5	164.9
Dom. war expend. (million $)	....	190.4	138.3	204.9	107.8
Dom. total revenue (do.)	....	121.8	115.4	333.9	96.1
Dom. total expend. (do.)	....	350.8	423.6	386.2	146.7
Retail sales index no.	....	....	150.7	149.1	134.3
Dept. store sales index no.	....	145.1	134.0	140.1	132.5
Wholesale sales index no.	....	....	166.8	158.6	140.6
Country store (% change pr. yr.)	....	....	....	+11.7	+8.8
Divd. payment index‡	123.5	122.6	121.8	120.9	118.9
Bank deposits (1926=100)	....	164.8	160.1	167.6	156.4
RAILWAY FREIGHT LOADINGS—					
Tons	....	176.5	188.9	182.3	164.1
Cars	....	148.1	141.4	142.3	139.6
COST OF LIVING—					
D.B.S. index	....	117.9	116.7	116.1	111.9
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	....	171.7	167.4	152.9
Manufacturing	....	....	205.9	202.3	168.0
Payroll (June 1/41=100) (b)	....	....	125.6	124.0	100.0
Payroll index (a) (1937=100)	....	....	201	197	170

			Jan. 1 to date		%
RAILWAYS—	1942	1941	1942	1941	Change
Carloadings (week Aug. 22)	65,656	65,654	2,157,712	1,993,424	+8.2
C.N.R. gross (week Aug. 21) $	7,842,000	5,832,000	225,681,000	184,599,000	+22.8
C.P.R. gross (week Aug. 21) $	4,696,000	4,742,000	157,381,000	132,.91,000	+18.5
C.N.R. net revenue (July) $	7,732,147	4,916,312	45,751,017	37,024,523	+23.6
C.P.R. net revenue (July) $	3,268,451	3,195,419	25,216,534	23,115,113	+9.0
IRON AND STEEL—(June)—					
Pig iron production (tons)	167,961	125,790	974,000	700,617	+39.0
Steel ingots and castings prod. (tons)	254,163	209,622	1,559,238	1,286,246	+21.2
AUTOMOBILES—(Number)—					
Passenger Cars: Domestic sales* .. (June)	474	8,099	14,044	58,083	—75.8
Trucks and Buses: Domestic sales* .. (June)	546	3,554	11,817	20,770	—43.1
Financing: Used (July) $	1,944,274	5,725,016	11,660,309	34,952,603	—66.6
New (July) $	291,045	3,478,182	5,503,691	26,151,331	—79.0
CONSTRUCTION—					
Contracts awarded . (Aug.) $	31,771,200	36,129,300	198,811,800	283,550,700	—29.8
Cement prod., bbls. (June)	1,076,733	958,869	3,469,176	3,351,121	+3.5
AGRICULTURE—					
Flour prod., bbls. .. (June)	1,335,177	2,117,976	9,725,208	10,016,499	—2.9
Cattle sales▲ (June)	92,559	82,866	524,829	476,488	+10.1
Hog sales▲ (June)	425,530	383,747	3,147,709	2,893,982	+8.7
SEA FISHERIES—‡					
Catch, cwts. (June)	810,400	857,800	4,101,540	3,546,400	+15.6
Landed value (June) $	3,384,300	2,581,300	9,670,446	7,411,900	+30.4
NEWSPRINT—					
Production, tons ... (July)	241,178	293,483	1,899,352	1,914,617	—0.7
Exports (May) $	11,868,000	12,572,000	62,153,000	56,489,000	+10.0
MINING AND OILS—					
Coal prod., tons ... (June)	1,367,563	1,179,576	9,416,513	8,461,714	+11.2
Coal import, tons ... (May)	2,267,879	1,309,690	7,055,478	3,567,819	+97.7
Gold rec., fine oz. . (July)	431,435	453,184	2,801,623	2,993,063	—6.3
Petroleum prod., brl. (June)	1,180,712	818,000	5,568,700	4,873,000	+14.2
ELECTRIC POWER OUTPUT—(June)					
Total monthly, 1,000kw.h.'s	2,965,655	2,661,145	21,578,039	18,393,530	+17.3
FOREIGN TRADE—♦					
Imports (Apr.)	$141,946,063	106,268,419	548,514,620	402,264,731	+36.3
Exports (Apr.)	169,997,596	118,393,094	667,451,667	410,828,290	+62.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (May)	172,854	152,756	701,305	782,052	—10.3
Shoes, prod., pr. (June)	2,891,123	2,781,325	16,493,270	14,956,922	+10.3
Cotton consump., lb. (June)	14,970,262	15,915,739	99,626,902	98,620,215	+1.0
Raw rubber imp. lb. (Apr.)	17,023,133	6,669,217	38,523,612	36,901,434	+4.4
Cigarette cons., No.† (July)	843,605	772,165	5,479,226	4,580,845	+19.6
Sugar manufactured .. lb.§	90,167,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† (July) $	3,704,133	3,241,707	25,295,840	22,054,806	+14.7
Bond sales† (July) $	218,966	111,334	2,237,252	1,684,950	+32.8
Life insurance sales (July) $	44,868,000	32,681,000	283,648,000	231,447,000	+22.6

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
‡Supplied by Nesbitt, Thomson & Co. *Final.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Selling Agencies WANTED

THE NORTH BRITISH RUBBER CO. LTD.
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Manufacturers of the famous North British Golf Balls and golf equipment, also mechanical rubber goods, x-ray gloves, diving dresses, combs and rubber hose.

Due to the rubber shortage our sales are decreasing. We have a first class selling and clerical organization and 4000 feet of clean well lighted warehouse space in the Anderson-MacBeth building.

Manufacturers looking for active sales representation are invited to communicate with the above.

Beverage Habits Changing

Tea, Coffee Rationing Make Other Drinks Popular

Tea and coffee rationing is changing the beverage habits of the nation.

Already there has been an increase in the demand for milk, cocoa, and coffeelike drinks compounded of various kinds of grain processed in one way or another.

Cocoa rationing is a possibility for the future, since cocoa, like tea and coffee has to be imported by water. It comes largely from Africa and such Caribbean islands as Trinidad.

At the present time it is being brought in solely by the Commodity Prices Stabilization Corp., a government-owned company operating under the Wartime Prices and Trade Board. C.P.S.C. has contracted for a large supply, but delivery of this depends on the shipping situation.

No figures are available as to the jump in demand for such drinks as "Kofy Sub," a product of Dr. Jackson Foods Ltd., and "Postum," made by General Foods Ltd.

Officials of these concerns say, however, that rationing of tea and coffee have stimulated sales considerably.

The chief ingredients of these beverages are available in the domestic market, so if the demand continues to grow it will probably be possible to keep pace with it.

Dr. Jackson Foods is understood to have had a temporary shortage of "Kofy Sub" due to unprecedented sales coupled with delay in delivery of some of the things which go into it. This situation was met by limiting supplies to individual distributors, so that all would get a certain amount.

Milk Sales

The impact of tea and coffee rationing on milk sales is difficult to measure at this time of the year, when so many people are vacationing that demand fluctuates rapidly In spite of this the general impression is that a sharp rise has resulted, with more adults adopting milk as a table beverage.

Conversely, there appears to have been some decrease in the demand for cream, on the basis of less coffee, less cream. This shows particularly in the case of restaurants, which may only serve one cup of coffee or one serving of tea to a customer.

As yet there does not seem to be much increase in the demand for chicory, an herb often blended with coffee. It is difficult to buy this at retail in most cities, although a good deal of it goes into the making of some kinds of coffee. Such coffee is marked "compound" on the package, and may contain up to 49% of chicory.

Common Weed

Chicory is a common weed, known in practically every part of Canada. It has bright blue blossoms, about the size of corn flowers. The roots, roasted and ground, have a flavor of their own which many people like. Mixed with coffee this chicory "powder" makes a beverage the flavor of which is preferred by some to that of straight coffee.

No ration coupon is necessary to purchase chicory.

At present there is a concern in Quebec putting it up in large quanities, while Canada still imports some from the United States. There is quite a chicory industry in Michigan.

It is possible that chicory packing may, as a result of rationing, undergo some expansion in the Dominion. Since the weed grows so generally, there would be no difficulty about supply.

Meanwhile there has been talk about the possibility of the slim tea ration — one ounce per person per week—being increased in the relatively near future. Officials have no comment on this other than that it all depends on what shipping is available. An increase in the coffee ration—four ounces per person—is also contingent upon shipping.

It is estimated that the amount of tea and coffee permitted by the ration is just about half what the average Canadian has been in the habit of drinking. The fact that both beverages may be obtained in restaurants makes it possible for city dwellers to supplement their ration allowance.

This does not apply to rural residents, who have all their meals at home, and the view has been expressed in some quarters that they should get special consideration. It's the tea ration which is said to be felt most by farmers.

No Tea Substitutes

So far as substitutes for tea are concerned, apparently there just aren't any. Tea dealers mutter "old wives tales" when they are asked about reports that herbs and the bark of certain trees, such as the spruce, offer a substitute for tea.

They point out that while pioneers drank "spruce tea," it was for medicinal purposes, to offset dietary deficiencies due to inability to get fresh fruit and vegetables in the winter months. It's an historic beverage—is said to have saved the lives of Champlain and his men their first winter in North America when, dying of scurvy, they drank it on the advice of an Indian medicine man. Just the same, the tea men say, there's nothing in its flavor to commend it for the modern table.

Makers of drinks that resemble coffee believe that whether rationing has any lasting effect on the demand for their products will probably depend quite a bit on the duration of rationing. If people use them long enough, they expect many will continue to use them even after rationing is no longer necessary.

On the Record

T. Eaton Co. has sent $55,000, the 1941 profits on orders placed with it for the manufacture of military uniforms to the Dept. of M. & S.

Col. John Thompson appointed Director of Government Office Economies Control under the Minister of National War Services.

262,000 pounds of steel are required in the manufacture of 1,000 Bren guns; 80,000 pounds for 1,000 Browning anti-aircraft guns; and 148,000 pounds for 1,000 Boys anti-tank rifles.

250,000 are needed for war industry and armed forces for the last five months of this year.

More than 8,400,000 pounds of sheet steel, enough to make 600,000 25-pounder cartridge boxes, will be conserved within a year as a result of the order curtailing the use of metal in the manufacture of certain office furniture.

General Motors of Canada Ltd. will manufacture warplane fuselages under sub-contract from de Havilland Aircraft of Canada Ltd.

Alan H. Williamson, controller of supplies, appointed vice-chairman of the Wartime Industries Control Board.

Leslie F. Burrows named administrator of metal containers and **Lieut.-Col. R. L. Wheeler,** assistant director of marketing services for the agriculture dept. as deputy administrator.

R. L. Weldon, president, Bathurst Power & Paper Co., Montreal appointed newsprint administrator for the W.P.T.B.

B. A. Wilson named W.P.T.B. representative in Lindsay, Ont

Pulp and paper advisory committee to advise on how many men can be transferred from that industry without dislocation appointed by the Director of National Selective Service. Those representing labor are: **H. C. Tracy,** International Brotherhood of Electrical Workers; **W. H. Burnell,** International Brotherhood of Pulp Sulphite and Paper Mill Workers; **M. C. Reynolds,** International Brotherhood of Paper Mill Workers; **J. B. Burton,** International Brotherhood of Pulp Sulphite and Paper Mill Workers; **Chester Jordan.** Representing management; **R. J. Askin,** Abitibi Power & Paper Co.; **C. R. Whitehead,** vice-pres., Consolidated Paper Corp., **I. H. Copeland,** Canadian International Paper Co., **D. W. Ambridge,** Ontario Paper Co., **George W. Brown,** pres. and gen. mgr., Gair Co. of Canada.

THERE'S MORE SPENDING MONEY

down on the farm!

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. . . Are you reaching this profitable, busy market? One way to tell rural Canada about your product is by using the Family Herald and Weekly Star.

This national farm magazine with over 300,000 circulation covers Canada's rural market from coast-to-coast.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

Tax Exemption Problem Grows

Notwithstanding the efforts of Ontario assessors to seriously check the tax exemptions in their municipalities, the exemptions continue to grow year by year, George Hurst, chief of income branch of Toronto's assessment department, declared to the annual meeting of the Ontario Municipal Association last week. Mr. Hurst said that the situation has reached a state when something drastic must be done to have the Assessment Act amended at once. Otherwise, the whole financial structures of the municipalities will be weakened, and a larger portion of the burden of taxation will have to be carried by the small taxpayers, because of exemptions granted under the present act.

Mr. Hurst called the practice of listing exempt property a splendid precaution to be taken by the assessor against the omission of taxable property from the assessment roll. It brings exemptons granted to the assessor in each succeeding assessment period, encourages reexamination of claims for exemptions and reveals the extent of the exemptions granted.

At the 1940 session of the Ontario Municipal Association, a special committee was appointed to make a study of the exemptions from municipal taxation in Ontario. This committee spent about $700 and prepared a comprehensive report. Its recommendations were passed on to the provincial government for consideration, but so far no definite action has been taken to amend the Assessment Act accordingly.

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches. These facilities are at the disposal of our clients at any of our offices.

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This war cannot be won unless every civilian regards his obligation to save and lend his savings to Canada with the same degree of faithfulness that men or women in the Services honour their oath.

Small savings should be invested in War Savings Certificates. Amounts of $100 or over should be invested in Victory Bonds.

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DANCING IN THE DARK!

Every wagging tongue that spreads the poison of imaginative rumour adds tempo to the macabre music of death and destruction.

Dancing in the dark to a symphony of lies, conceived in Nazi minds and performed by gullible lame-brains can end only in a mad whirl of confusion and defeatism.

So—think before you talk. Then don't.

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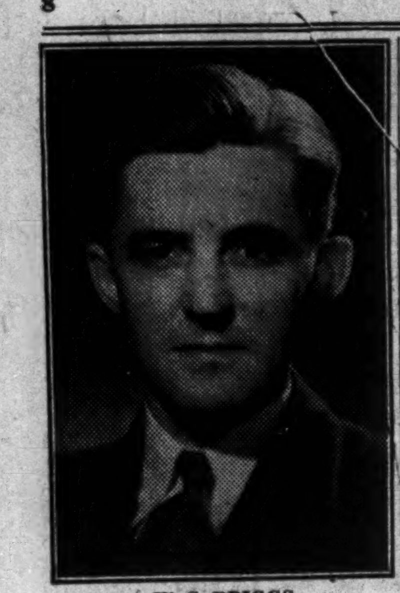

W. S. BRIGGS

It has been announced by the Head Office of The Mutual Life of Canada that Mr. W. S. Briggs, a member of the King Street Agency, has achieved the Presidency of the Quarter Million Club. This is the highest honour to be won by a member of the field force.

Mr. Briggs has represented the Mutual Life since 1930, and has been a Production Club member consistently since then. The quantity and quality of his business is indicated by the fact that he is a member of the "Master Builders" Club.

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Surplus 1,735,148.47

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2nd. By returning to policyholders, through annual dividends, a substantial portion of their original premium. 1941 dividends to policyholders: $1,515,315.

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WESTERN CANADIAN DEPARTMENT Randall Bldg., Vancouver, B.C.

FIDELITY Insurance Company of Canada TORONTO

Automobile and General Casualty Insurance
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Fire and Allied Lines Written in Associated Companies
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For over sixty years the I.O.F. has furnished broad plans of insurance protection and provided its membership with valuable fraternal benefits.

The Society issues Ordinary Life, Twenty Payment Life, Twenty Year Endowment Certificates and a Modified Endowment maturing at age sixty-five. All Certificates provide cash, loan and paid-up values and generous benefits in case of total and permanent disability.

ASSETS OVER $44,000,000.00

VICTOR MORIN, LL.D., Supreme Chief Ranger

Head Office: - - Toronto, Canada

Factors in Life Insurance Costs

War Mortality and Interest Rates Important Elements

By DONALD G. MACLEAN

What are the factors that rule the cost of life insurance? What is the outlook for the future?

With income taxes and the cost of living pressing the average individual hard, more thought is being given to the element of cost in all goods and services, including life insurance.

In life insurance the problem of finding the actual cost is complicated because contracts are usually for a long term, and subject to developments over which the contracting parties may have no control.

In setting the premiums, the main elements are:

The rate of mortality.

The rate of interest that can be earned.

The rate of expense.

Rate of Mortality

The first two factors determine the amount of the net premium, that is, the actual amount that must be collected from a group of insured people to pay all death claims if:

Deaths occur according to the mortality table on which the premiums are based.

All premiums are invested immediately at the rate of interest assumed in the calculations.

These net premiums do not provide for the expenses of operation, salaries, office rent, taxes etc.

The mortality tables show the number of deaths which, based on past experience may be expected among people of a certain age over a term of years.

Expectation of Life

They also show the average expectation of life of a group of people of a certain age and traces it through a given number of years. Thus take the American Experience Table of Mortality.

It starts with 100,000 people aged 10 and shows the number dying during the first year, the number per 1,000 which gives the rate of mortality, and the average future lifetime of each of the individuals in the group. Thus, it shows that of 100,000 people aged 10, 749 will die at that age. This is 7.490 per 1,000.

The average future lifetime of individuals in the group is 48.72 years. At age 11 there are 99.251 living. Deaths that year are 746, the rate of mortality per 1,000 is 7.516 and the average future lifetime 48.09 and so on.

From this it is possible to calculate what premiums should be paid in each year by a group of people, say 1,000, to meet death claims as they come due. It is assumed the premiums are invested at a stated rate of interest as soon as they are received.

Factors Beyond Control

Provided the mortality rate and the rate of interest remain constant, the calculations of the actual premiums are fairly close to the actual. On top of them comes the expense of operating, which is a matter for management, and subject to human control.

But the mortality rate and the interest rate are subject to many factors beyond human control. For example the rate of mortality may be thrown entirely out of gear by war or by an epidemic.

Instances of both these were had a few years ago when the war mortality was increased substantially first by deaths due to the first world war and then by deaths due to the influenza epidemic of 1918-1919.

War Insurance Losses

It has been calculated that insurance losses due to the war of 1914-1918 were $20.5 millions, while death claims due to influenza, pneumonia, and grippe in the last three months of 1918 were $9.8 millions or nearly half the total war losses.

These losses, unprotected in most cases by extra war premiums, meant actual mortality was greater than expected.

Interest rates, too, are subject to change. For some years the average rate of interest obtainable on gilt edged securities of the type the insurance companies buy have been steadily dropping. Expenses, while to a large extent subject to control of management have been affected by rising general costs.

What, then, is the outlook for the future under present conditions?

Casualties to date in the present war have been admittedly light, although showing a rising trend. Opening of a second front or even continuation of big raids like that at Dieppe will mean larger insurance losses; for while statistics are not available it is believed many of the men in the armed forces are carrying insurance taken out before the war clauses were adopted.

This along with low interest rates point to increasing actual costs. Companies may be expected to hold down expenses where this can be done.

Hence some life insurance executives have been predicting higher insurance premiums. In some cases premium rates have already been raised. Future action depends on war developments and the trend of interest rates.

INSURANCE DIRECTOR

W. L. Bayer, of Montreal, president of Canadian Bronze Co. and director of a number of other enterprises, who has been elected a director of the Montreal Life Insurance Co.

Banks Hold Fewer Municipals

Reflect Decline in Borrowing by Municipalties

Investments of the chartered banks in Canadian municipal bonds have been showing a noticeable decline in recent years and especially since the war began. At the end of June, the latest date for which figures are available, total investments of the banks in municipal bonds were $77.4 millions. This compares with $89.2 millions in 1941 and $110.9 millions at the end of June, 1938.

In the same period the total investments of the banks in all classes of securities have been increasing substantially. On June 30, total investments of the banks were more than $1.8 billions, compared with $1.6 billions in 1941, $1.4 billions in June, 1938.

Smaller Volume Available

Main reason for the decline in municipal investments has been that offerings of municipal issues have been dropping steadily. As debenture issues have matured they have been paid off, rather than renewed. The decline in municipal bonded indebtedness has paralleled a reduction in municipal loans from the banks which has occurred.

The downward trend in available investments in municipal issues is attributed to improvement in the financial affairs of municipalities.

Responsible Factors

Among the specific factors noted in the situation are:

Increased national income due to more active industrial conditions.

Increased revenues due to better tax collections, in turn due to higher income of individual taxpayers.

Reduced expenditures.

Lower relief charges resulting from better employment.

During the depression years many of the municipalities learned the need of economy. The effect of this had become noticeable for some years before the war. Since war broke out, the movement has been stimulated by the need of conserving financial resources, materials and equipment.

While the totals of municipal investments have declined over the last few years the trend has varied among different banks. In the accompanying table it will be noticed the 1942 figures in some instances differ little from those of 1938. This is probably due to some banks having bought bonds of longer maturities than others.

In some quarters it is believed the reduction in municipal expenditures, while a necessary part of the war effort, will mean that more money will have to be spent afterward to restore roads, sidewalks, etc., which may fall into disrepair in the interval. On the other hand the credit of the municipalities with lower funded debt and smaller bank loans will be stronger.

Comparative figures of bank investments in municipal bonds as at June 30, follows:

Canadian Municipal Securities Held by Chartered Banks
(Thousands of $)

	1942	1941	1940	1939	1938
Montreal	14,446	18,207	20,784	24,605	32,197
Nova Scotia	9,618	11,059	10,965	12,611	12,696
Toronto	2,360	2,608	4,991	6,019	7,588
Provincial	11,574	13,233	13,778	13,723	11,697
Commerce	7,466	9,817	9,012	8,574	10,417
Royal	8,820	7,228	7,010	10,061	10,214
Dominion	1,400	1,787	2,607	3,894	4,635
Nationale	16,031	18,001	18,092	18,843	16,198
Imperial	5,701	7,329	5,399	5,696	5,294
Barclays (Canada)	[illegible]	1	2	6	10
	77,430	89,274	92,643	104,035	110,950

"Service at Cost" Programme Submitted to B. C. Commission

From Our Own Correspondent

VANCOUVER.—British Columbia's public utilities commission headed by Dr. W. A. Carrothers, has been making a public enquiry into the affairs of the B.C. Electric Railway (B.C. Power Corporation and 13 associated companies) to determine what rates the public should be charged.

A feature of the enquiry has been the submission by S. R. Weston, chief engineer of the commission, of a regulatory plan designed to ensure "service at cost." It would provide long-term control over power, gas and street car rates in Vancouver, Victoria and other communities serviced by the company.

Briefly, the plan is based on a concept that rates should produce total revenue for any service in any area proportionate to the cost of furnishing the service, such as operating expenses, salaries and wages, provision for depreciation and a fair return on the value of the property.

Mr. Weston estimates that interest on the secured debt of all 14 companies averages 4.54%, and he suggests that the common stock equity might be extended at the rate of 7% so as to arrive at a composite overall rate based at 5.3%.

The total rates base for B.C. Electric, as computed by Mr. Weston, was $115.4 millions in 1939, $116.3 millions in 1940 and $117.5 millions in 1941, including allowance of $3.5 millions for working capital.

The Weston regulatory plan would provide compensation to the public for the cumulative effect of temporary surplus earnings, and compensation to the company for the cumulative effect of temporary deficient earnings.

Mr. Weston maintains that a rate somewhere between 6 and 8% might be "fair and reasonable" for common stock equity.

Among his principal recommendations were the following:

That the appraised value of the property be taken as the original cost to the utilities of the property used, or acquired, including an allowance for working capital.

That 4% interest per annum on the accumulated reserve for depreciation, and on any other reserve approved by the commission and accumulated as an operating expense, should be added to the revenues for regulatory purposes.

That a stabilization reserve be established as from Jan. 1, 1942.

That all earnings in excess of cost of service be transferred to the reserve at the end of each year.

That the reserve be charged at the end of each year with an amount equal to any revenue deficiency under the cost of service.

That utilities be required to report annually (a) additions to plant and retirements at original cost to the utilities; (b) revenues and operating expenses.

Monthly Bank Clearings

	August 1942 $	August 1941 $
Halifax	17,120,189	15,785,489
Saint John	10,001,297	9,159,134
Moncton	4,753,812	4,456,831
Sherbrooke	4,033,169	3,984,962
Quebec	24,620,903	22,793,529
Montreal	533,576,377	501,972,143
Ottawa	257,983,466	181,402,715
Kingston	3,290,374	3,134,225
Peterborough	3,517,849	3,307,843
Toronto	585,170,025	521,498,353
Hamilton	30,619,876	29,206,098
St. Catharines	5,933,277	5,582,570
Kitchener	5,067,693	5,189,167
Brantford	4,463,739	4,268,293
London	13,374,199	12,066,012
Chatham	2,635,070	2,591,738
Sudbury	4,816,986	4,626,522
Fort William	4,798,123	4,755,741
Winnipeg	180,048,421	218,754,279
Brandon	2,135,336	1,837,671
Regina	20,214,254	19,700,177
Moose Jaw	3,150,337	2,614,873
Saskatoon	7,699,931	6,479,823
Prince Albert	2,223,121	1,833,956
Edmonton	25,341,796	22,230,710
Calgary	29,031,660	28,562,887
Lethbridge	2,857,680	2,600,363
Medicine Hat	1,415,043	1,386,198
New Westminster	4,094,207	4,078,356
Vancouver	108,750,194	87,657,605
Victoria	8,683,011	8,076,010

Weekly Bank Clearings

	Aug. 27 1942 $	Change Year Ago %	Aug. 20 1942 $
Halifax	2,625,888	+13.8	3,852,721
Saint John	2,244,852	+11.3	2,244,318
Moncton	1,128,060	+5.6	980,299
Sherbrooke	883,464	+10.1	1,169,945
Quebec	4,992,843	+3.7	5,983,611
Montreal	112,566,957	+10.2	138,712,782
Ottawa	44,507,157	+24.6	42,761,438
Kingston	717,709	+5.4	793,974
Peterborough	763,576	+11.4	839,604
Toronto	130,519,060	+18.7	141,315,081
Hamilton	7,231,481	16.8	6,991,901
St. Catharines	1,228,322	—8.5	1,347,388
Kitchener	1,073,450	—6.4	1,112,436
Brantford	942,258	+1.0	1,116,727
London	2,742,445	+9.4	2,761,584
Chatham	586,126	—2.4	565,286
Windsor	4,803,257	+22.0	5,094,681
Sarnia	413,432	+0.6	394,628
Sudbury	1,257,327	+2.7	939,063
Fort William	1,166,582	+7.2	1,103,987
Winnipeg	36,064,751	—33.3	38,574,606
Brandon	463,337	+22.4	528,169
Regina	4,095,863	—6.2	4,243,710
Moose Jaw	674,076	+30.0	750,768
Saskatoon	1,506,993	+20.1	1,741,610
Prince Albert	518,461	+42.6	490,780
Edmonton	6,039,235	+11.8	6,202,926
Calgary	5,948,810	—16.2	6,973,443
Lethbridge	597,037	—5.7	656,829
Medicine Hat	299,289	—10.8	303,847
N. W'minster	1,204,915	+25.7	803,194
Vancouver	27,368,225	+32.0	25,636,173
Victoria	1,730,184	+3.7	2,129,261

General Finance Claimed Insolvent

Nova Scotia Trust Asked for Winding Up Order—Directors Not Opposed

From Our Own Correspondent

MONTREAL.—Nova Scotia Trust Co. has made application to the Nova Scotia Supreme Court for winding up the General Finance Co. Ltd. of Halifax.

The claim is put forward that General Finance is insolvent, "in that it is unable to pay its debts as they become due"; that its liabilities total $158,821 and its assets only $44,240. It is further claimed that on two occasions the company paid dividends out of capital when it had neither surplus nor earnings with which to make the payments.

Can't Sell Certificates

W. Pitt Potter, K.C., representing the Nova Scotia Trust Co. which is trustee for General Finance investment certificate holders, to the extent of approximately $66,000, says that in 1940, the registrar under the Security Fraud Prevention Act, had revoked the certificate which permitted the General Finance Co. to carry on business and issued instead a conditional certificate prohibiting the company from borrowing or lending money but allowing it to collect loans and perform such obligations as it had outstanding at the time.

Russell McInnes, K.C., Director-General of Finance, told the Court he and other directors neither opposed nor approved the winding up application but left the matter entirely to the discretion of the court. On the other hand, the petition was opposed by S. B. Fullerton, on behalf of himself and certain other investment certificate holders of General Finance.

Abitibi Power & Paper Co. motion presented by Montreal Trust Co., representing bondholders, asking that R. S. McPherson, liquidator, expedite carrying his appeal to the privy council, has been dismissed by Mr. Justice R. G. Fisher. The trust company contended that there had been an undue delay in completing the record for the privy council notwithstanding an undertaking given the appeal court that it would be hurried.

The court stated it could not see that there had been deliberate intention to ignore the undertaking as to expedition, and questioned if a further-four month delay would be injurious.

Increase Shown In Bank Debits

Up 14.3% in July—All Areas Except Prairies Higher

Cheques cashed by Canadians at the 33 clearing house centres in the country in July totalled $3.7 billions compared with $3.2 billions in July last year. This was an increase of 14.3%. Gains were shown in all economic areas except the prairies. Increases were: Maritimes 13.3%; Quebec 20.3%; Ontario 21.4% and British Columbia 30.8%. In the prairies the decline was 19.6%.

Reasons for the increase in debits included increased business activity due to the war, and higher prices.

For the first seven months of 1942, the total was $26.3 billions an increase of 14.7%. Gains were shown in all economic areas except the prairies where the decline was only 0.7%.

Compared with June, debits in July while slightly lower showed a smaller decline than normal for the season. After adjustment an increase of 4.2% is indicated.

Debits to Individual Accounts

	1942 July $	1942 June $	1941 July $
Maritimes:			
Halifax	48.0	47.5	42.9
Moncton	14.9	16.0	12.6
Saint John	22.5	24.1	19.8
Total	85.4	87.6	75.4
Quebec:			
Montreal	944.9	860.2	817.7
Quebec	136.1	104.5	79.4
Sherbrooke	10.1	11.2	9.9
Total	1,091.2	975.9	907.1
Ontario:			
Brantford	16.8	16.9	13.5
Chatham	9.1	9.7	10.3
Fort William	10.1	10.7	11.0
Hamilton	111.4	100.7	90.8
Kingston	11.1	11.4	8.6
Kitchener	19.2	19.8	17.0
London	43.5	48.9	40.6
Ottawa	513.8	529.1	288.3
Peterborough	11.6	12.0	8.9
St. Catharines	20.0	19.0	17.5
Sarnia	10.7	10.6	8.7
Sudbury	8.8	8.5	8.9
Toronto	867.2	1,009.1	846.3
Windsor	78.0	81.9	55.6
Total	1,731.6	1,888.5	1,426.4
Prairies:			
Brandon	5.7	5.6	3.9
Calgary	70.2	77.5	75.6
Edmonton	57.4	53.2	50.3
Lethbridge	6.2	6.2	5.2
Medicine Hat	3.4	3.1	3.7
Moose Jaw	9.5	8.9	8.3
Prince Albert	4.4	4.6	3.8
Regina	64.2	47.7	50.2
Saskatoon	16.6	13.7	13.7
Winnipeg	281.6	365.0	407.2
Total	519.5	585.6	622.2
British Columbia:			
N. Westminster	11.4	11.3	9.5
Vancouver	186.3	176.3	167.5
Victoria	78.7	41.6	33.6
Total	276.4	229.3	210.6
Total for Canada	3,704.1	3,767.0	3,241.7

Further Rise In Currency

Note Circulation of Bank of Canada Reaches New High

Further increase in the money supply in Canada is indicated by expansion of $3.6 millions in the note circulation of the Bank of Canada in the week ended Aug. 26. The $586.1 millions shown in the weekly statement is the highest on record, comparing with $418.6 millions a year ago.

Total deposits of the banks were down $2.4 millions, the drop being in deposits of the chartered banks and miscellaneous deposits. The Dominion Government account was about $3 millions higher.

On the credit side, holdings of sterling were unchanged, while investments were slightly lower the decline being in short term issues, holdings of long term bonds being higher.

	Aug. 26 1942 $	Aug. 19 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	586,108,004	582,536,477
Rest fund	5,585,705	5,585,705
Deposits: Dom.	21,556,201	18,264,784
Banks	212,278,532	217,541,532
Other	17,996,025	18,399,182
Total deposits	251,830,758	254,205,498
All other liabs.	11,402,892	14,590,791
Total liabs.	859,927,359	861,918,471
Assets		
In Sterling & U. S.	1,032,330	1,032,330
Subsid. coin	369,684	374,426
Investments:		
Dom. gov. sh.	500,974,836	506,634,411
Other Dom. gov.	344,121,695	339,960,076
Total invests.	845,096,531	846,594,487
Premises	1,996,269	1,996,160
All other assets	11,432,545	11,921,068
Total assets	859,927,359	861,918,471

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Salvage Comes of Age

Where and How Canada's Discarded Material "Gets in the Scrap"

By ARTHUR D. ELLWOOD

OTTAWA.—There is much confusion with regard to salvage of all kinds. The housewife does not know whether or not to keep on saving paper, glass or rags. The farmer does not know what he can do. Scrap dealers sometimes wrangle among themselves.

But talk to top officials directing Canada's war effort and you are left in no doubt as to the important part which salvage must play in our war effort.

At the same time you learn that not everything has salvage value—in some cases it is only a temporary situation of over-supply and what you can save may be needed some time later; in other cases the materials may have no value at all.

Ranked by salvage officials in approximate order of priority as salvage at present, the most common items might line up like this:

1. Metals of all kinds but particularly iron and steel, copper and tin. Zinc and other metals are also wanted but are not so critical as the first named.
2. Rubber.
3. Fats and oils—animal and vegetable.
4. Rags—wool, cotton, linen, silk.
5. Glass—both usable bottles and cullet, or broken glass.
6. Collapsible metal tubes — old style ones rank near the top.

These are the materials we need and which wartime officials are most anxious to get. Without some of them, our war effort could collapse, with them it can be speeded to a successful conclusion.

"Warn't doin' anythin' wrong—jes tryin' to make some rubber."

—Drawn for U. S. Office of War Information.

Mysterious Business

Salvage is a mysterious business to the average Canadian who has been accustomed to be prodigal with almost everything. He used to waste paper with scrap value, burn old tires, let rags and metal accumulate and waste. It is a business requiring special knowledge to know what is worth saving and how to prepare and handle it.

Canada's organization for salvage first took an official tinge when the national salvage campaign started in 1940, following a lead from voluntary committees throughout the country. These, in turn, largely borrowed their ideas from what was done in Great Britain—far more salvage conscious than Canada has ever been.

These local committees wrote to various government departments, wanting to know what to do with salvage they had collected, what to collect and what not to collect.

The Machinery

Then in April, 1941, a national campaign started, using these voluntary committees and having as a part of its policy that money realized from scrap should be used for war charities. As time went on war developments brought added importance to many items of salvage. Iron and steel was required for our steel mills; rubber to replace sources lost to the Japanese; rags to use in industry and for cloth. Estimated cost to the government for the national campaign is given as $140,000, about a third of which goes for advertising.

Throughout this period the number of voluntary committees has grown until there are now over 2,000 working across Canada. Only 40% of these committees have reported to Ottawa but in 14 months 40% report 126 million lbs. of salvage having a value of almost a million dollars. A National War Salvage Committee has been formed at Ottawa and has established offices in each province. It employs organizers to encourage and direct the formation of local committees.

Early Confusion

Throughout this period there has been confusion. Various government agencies issued conflicting and confusing statements. The public became suspicious and questioning on many points. To impart some central direction to the whole effort, a new joint committee has been formed at Ottawa, headed by Charles LaFerle, to co-ordinate the whole salvage effort.

One thing this central committee is to do is tell the public what is wanted and when, thus ending one fruitful source of suspicion.

Right now the most critical materials from the salvage standpoint are the various metals, with copper and iron and steel first in priority.

Copper, Bronze and Brass

Copper salvage, like much other salvage, is largely an industrial matter. But the part the ordinary householder can play is vital to success. Copper for salvage purposes can be found in such household articles as washing machine tubs, old kettles and electrical apparatus of all kinds.

Brass and bronze of all kinds is wanted with "red" brass ranking highest because of its tin content. "Red" brass is of two kinds but there is only one kind of "yellow" brass. The composition of these and some suggestions as to where the ordinary householder can find them are:

Red Brass

No. 1 Red Brass:	Analysis %	Common Sources
Copper	85	Red brass is used for most moving parts, such as machine parts, and plumbing fixtures, including taps, faucets and fittings. Not very common in the household.
Tin	5	
Lead	5	
Zinc	5	
No. 2 Red Brass:		
Copper	83	
Tin	3	
Lead	6	
Zinc	9	

Yellow Brass

Copper	70	Much more common in household use. Brass pipes, curtain rods and poles, beds, railings and ornamental lamps which may resemble "red" brass due to being treated with acid to bring out brass color.
Zinc	30	

Bronze in the household may be found in name and address plates and electrical fixtures.

Canada needs all metals but copper leads in priority at present. Tin might be at the top were it more salvageable. By far the greatest use of tin has been in tin cans of all kinds and Canada's only reclaiming plant to handle tin cans is in Toronto. Only tin cans in Toronto and the surrounding area have salvage value at present.

From tin cans, both steel and tin are reclaimed—about three-quarters of one per cent tin might be recovered. There is little chance that reclaiming plants will be erected in other centres because of difficulty in getting the materials and equipment for the plant. Tin cans are bulky and costly to transport as salvage with the result that the economic cost of transporting them for more than a few miles is not justified at present. Other sources of tin salvage are babbit metal and sol-

(Continued on page 10, col. 1)

Important step in the process through which scrap rubber is put to work again is illustrated above. Here reclaimed rubber is being forced through fine wire screens to remove bits of metal, threads of cotton that may have escaped the preliminary operations. Below is the end-product of much of the rubber salvage — tank treads, which, with other rubber parts of the 28-ton tank, require enough rubber to make 125 automobile tires.

War Blasts Open a New Northern Frontier

Through the Almost Unknown Northwest Territories, Canada and the United States are Hacking a Road to Tokyo and Victory That Will Change the Entire Face of the North

By D. B. WALLACE

While war has been the driving force behind the present sensational surge of activity in Canada's northern regions, peace will likely bring many lasting dividends in the form of permanent economic developments. After the war there will remain a transportation and industrial structure on which may well be reared a whole new growth in a section of Canada only now becoming generally known.

Transportation is the keynote to present northern expansion. Highlighted by the Alaska Highway, and matched in interest by air and rail growth, there has overnight come into being the basic framework of a good-sized transport revolution.

All At Once

Nowhere else in the world, and at no time in history, has any country had all major transport routes—rail, road, river, air and pipeline—developed at one time.

There is a sign at Fort St. John, southern base of the Alaska Highway operations in the lush Peace River farming district, which points towards Alaska and bears this inscription—"1,459 miles to Fairbanks." In this simple statement there is perhaps bound up the defensive fate of the continent and offensive threat to the Orient.

With Japan already having a strong toehold in the Aleutians, action is the password on the Alaska Highway. Some of the biggest and most powerful road building equipment ever built churns up a dust screen daily as it rumbles in a steady stream from the end of steel at Dawson Creek, about 50 miles from Fort St. John. The latter was only a rambling country town of around 300 people less than six months ago but is now a key point on the world's military air and road supply routes.

It was on March 9, 1942, that American highway builders stepped off the N.A.R. train at Dawson Creek and from that date onward the history of the north has changed more in a week than in a year previously. The almost unbelievable task accomplished by the United States Army engineers in their race against time to get their stores in before the break-up is now as well fixed a northern legend as the tales of Robert Service.

Truck caravans never stopped rolling for six weeks. Fast freights from United States eastern cities arrived like clockwork at Dawson Creek to spill out their huge supplies on hastily constructed new mile-long sidings. Canadian farmers with their trucks bolstered up the road supply forces. Hardy northern trappers guided the engineers through rugged country. All forces worked together and the gigantic job was finished without the loss of a man or truck. The race between determined men and uncertain weather conditions had been won.

This "Burma Road" to Alaska, which may cost close to $100 millions before it is finished, and which has still to cross muskeg which will test the continent's leading road-builders, may finally end at Irkutsk in Siberia and thus open a new vital supply route to aid offensive action in the Orient.

Tough Terrain

For the moment, however, it is a day-in and day-out case of slogging across rugged terrain and roaring rivers, with great mountain barriers yet to be hurdled, but progress is rapidly being made and only recently the army promised that some kind of a highway to Alaska will be ready this winter.

It is no easy task to push a road through 1,500 miles of mountains and wilderness and already road highway experts admit it is tougher than they first anticipated. One of the greatest problems is the fact that everything from a needle to a bulldozer has to be brought in. Nothing is available locally. On this basis it is a pioneering task which will rank well in line with early railroad building.

The highway has lured many job seekers with the appeal of high wages and adventure. Just in case, however, these prospective employees get the wrong angle, one of the contractors has gone out of his way to tell the worst about this work. Here's what a sign, posted in the offices of one of the United States concerns engaged in northern projects, says about working conditions:

THIS IS NO PICNIC

Working and living conditions on this job are as difficult as those encountered on any construction job ever done in United States or foreign territory. Men hired for this job will be required to work and live under the most extreme conditions imaginable.

Temperatures will range from 90 degrees above zero to 70 degrees below. Men will have to fight swamps, rivers, ice and cold. Mosquitoes, flies and gnats will not only be annoying but will cause bodily harm. If you are not prepared to work under these and similar conditions—

DO NOT APPLY

Then there are the northern skyways of peace which have been turned into the aerial routes of war. The inland route pioneered by Yukon Southern pilots now forms the nucleus of a defense airfield chain over which is flying record air cargo and personnel traffic. This same route may well prove to be the one which will be followed by Trans-Pacific commercial sky-liners in the post-war years when regular connections are established between Asia and America across the top of the world. In addition, northern fliers are piloting prospectors in a never-ending search for strategic war materials, moving survey parties, plotting various surface transport routes, and freighting in men and supplies to a number of undisclosed defense outposts.

Unprecedented has been the scope of supply movements into Canada's new northern frontiers. Road, rail, air and pipe line communications are being pushed simultaneously while the great Mackenzie River is carrying more traffic than at any time in its history. Here a big shipment of supplies is being unloaded for U. S. road builders.

Railroad Soon?

Road and air may shortly be joined by railroad. Already extensive surveys have been made for the proposed Canadian-Alaska rail route. This proposed line, which will be about half as long as any Canadian transcontinental rail route, will serve as a means for the mass movement of traffic to the Alaskan defense area. Whatever route is chosen for this northward line from Prince George to Fairbanks, it is quite possible that a rail connection will ultimately be made between Dawson Creek, present railhead of the jointly owned Northern Alberta Railway. A link between Dawson Creek and the proposed Alaskan rail line would provide an additional through traffic line via Edmonton.

The rail survey should be finished by Oct. 1 and then the political puzzle as to whether to tie in at Prince George with the British Columbia-owned Pacific & Great Eastern may be considered. The P.G.E., long a costly railroad adventure for the provincial government, may finally end up as part of a through route from Pacific Coast centres to Alaska. This almost north-south rail line, which is now 80 miles short of a northern connection at Prince George, and 42 miles above a junction with Vancouver rail facilities in the south, has been hanging in mid-air in a traffic sense for years. With the air and road routes heading out of Edmonton, it is obvious that British Columbia has more than a passing interest in finding a buyer who will complete the missing links in its $100 million railroad property.

The Mackenzie, the continent's second largest river highway, has seen its water-borne commerce reach astronomical heights. New docking and loading facilities have been rushed to completion. River scows, barges, and similar equipment are constantly increasing in number as slow-moving water-borne traffic moves in increasing volume into the hinterland.

Most of the fuel to drive the power machinery in the northern regions is now coming from Fort Norman. These wells, only a few hundred miles below the Arctic Circle, produce aviation and motor gas and light and heavy diesel oil. Plans are under way to enlarge output and for the construction of pipeline to bring these vital supplies closer to defense works.

These modern transportation developments such as the Alaska highway air and rail routes are a long way from Sir Alexander Mackenzie's discovery voyage in 1775 down the river which bears his name. In fact, even a century after his pioneer journey, transportation in the north was still carried on almost solely by canoes and York boats in summer, dog teams in winter.

Wings for C. P. R.

It was in 1883 that the Canadian Pacific in its swift stab across the Prairies finally reached Calgary and three years later a wagon road was completed between Fort Edmonton and Athabasca Landing.

From that date onward Edmonton was the transportation gateway to the Northland. The Canadian Pacific, which came into Edmonton by rail more than half a century ago, now comes out by air as the company operates a vast network of northern airlines hopping off from Edmonton to the Arctic, Yukon, and southward to Vancouver. Few can foretell what great change is yet in store for this region in the postwar commercial growth of these air cargo and passenger services.

In addition, full consideration must be given to the present air route down the Mackenzie River and the possibility after the war that it may be made into the first leg of a world air route running across the North Pole to Western European cities. Present and possibly expanded air developments make Edmonton the hub of the whole northern development and the future destiny of Alberta's capital city likely depends more on what happens north of the 60th parallel of latitude than on any other single factor.

North-South Nation

Now that Canada has become a north-south as well as an east-west nation, sub-Arctic areas have taken on a new meaning. Even excluding the large Yukon area, the Northwest Territories continues to be a source of ever-increasing interest and in size accounts for about two-fifths of the total of the Dominion. Against this great land surface there is a northern native population of only about 20,000 in normal times, although now greatly increased by military forces and workers on defense projects.

The population belt which stretches across the north is long on land but short on people. Until about 20 years ago the fur trade was the only industry of any significance. Then oil was found at Fort Norman. This ushered in the airplane as the greatest single factor in the development of the Far North.

Even without the present war

(Continued on page 11, col. 2)

Salvage Comes of Age

(Continued from page 9)

ders—sources which garages and repair shops can best supply.

Lead would actually be in abundance were it not for its extensive use as a substitute for more scarce metals, particularly tin and copper. So extensive has this substitution become, however, that lead now has important salvage value.

Zinc is urgently wanted. One big use of zinc is as an alloying material with copper in making bronze. But the shortage of copper has resulted in what appears like an ample supply of zinc, an appearance which salvage officials term deceiving while stressing their desire to get lots of zinc.

Iron and Steel

Iron and steel scrap provides a whole story in itself, ranking as it does at the top in priority and being also so widely scattered in supply. There is no distinction placed on types or kinds of iron and steel except the light types, such as stove pipes and tin cans. Even these can be used in the Toronto and Hamilton area. These two districts have the hydraulic press equipment essential for successful salvage of light types of steel. It is pointed out that it might cost up to $25 or $30 a ton to salvage light steel whereas ordinary grades are worth only $12 a ton. So long as they can still get the $12 grades, salvage officials are not anxious to bother with the other.

The salvage of iron and steel has been given new impetus through an order making it illegal for anyone to hold more than 500 lbs. of metal unless he has a permit to do so. The campaign is likely to be extended and manufacturers and others holding machinery or equipment made of metal, and not in immediate use, will find themselves required to put it to work or surrender it for salvage. Another step for the future might be to require that the estimated 10,000 tons of high grade iron in the hundreds of ornamental fences in Canada be scrapped.

Wartime Salvage Ltd., a Crown company, is active in iron and steel salvage, a feature of its work being its scheme to gather in the thousands of tons of metal scrap to be found throughout the western provinces.

Western Scrap Mine

There has always been scrap in the prairies, thousands of tons of it, but there have been no collection centres and for the scrap dealer to pick it up was uneconomic due to the great distances and scattered population. Now Wartime Salvage is using 2,000 country grain elevators as its purchasing agents. Farmers bring their iron and steel to the elevators where they receive $7 a ton for it just as it comes in. As soon as an elevator collects a carload it notifies Wartime Salvage—as high as 40 cars a day have been reported. Between July 1 and Aug. 12, 866 cars of scrap had been moved to iron and steel mills, mostly in Ontario, from Western Canada by Wartime Salvage.

Elevator companies are doing their share of this job without pay but are allowed $1.50 a ton to cover costs of handling, loading and financing. From the elevator points, scrap is shipped to the closest sorting and preparation centre after which it is allocated to the various steel mills by the Steel Controller. For sorting and preparation services, a fixed fee of $3 a ton is allowed dealers with the scrap remaining at all times under control of the Steel Controller.

Rubber Situation

When the Japanese entered the war it found Canada with more crude rubber in this country than ever before. In addition there was a record inventory of new tires in the hands of dealers and manufacturers. When we lost our sources of crude rubber, Canadian authorities took successively drastic steps to limit the amount of rubber going into ordinary civilian uses. But war needs were growing and we have been dipping into our stock pile at the rate of about 4,000 tons a month.

Scrap rubber at once became of great value and an organized campaign to recover it started in May. Canada now has several months' supply of salvaged rubber on hand for our two reclaiming plants, with around 15,000 tons recovered since the salvage campaign started out of a year's objective of about 25,000 tons of scrap. Canada never before collected more than 12,000 tons of scrap rubber in one year.

Scrap rubber is now being placed in stock piles where it is immediately available at all seasons of the year. The large cities have been pretty well canvassed but it has to be kept coming or some of these days reclaim plants will have to shut down.

Best grades of scrap rubber are obtained from crepe rubber soles or cushions, all kinds of latex rubbers such as fine rubber gloves and medical and surgical goods. Heavy rubber gloves are largely made from reclaimed rubber and are of less value. Tires and tubes are first in quantity and second in quality and by far our most prolific source of scrap rubber. Rubber footwear has always had a percentage of reclaim and now is practically all reclaim. Rubber heels are of little salvage value. Salvage authorities say they want all kinds of scrap rubber—except rubber mats or matting. You are not making any worthwhile sacrifice in donating the rubber mat from your car as it is already made from reclaimed rubber and rubber can only be reclaimed once with success. The government emphasizes that it does not want anything that has useful service in it—the tires on your car are not wanted but the tire your children use as a swing is.

Early in the campaign to get scrap rubber it was found that scrap dealers outside of Ontario and Quebec were not dealing in scrap rubber as freight rates were so high as to make collecting it an uneconomic business. Fairmont Co., another Crown company, has undertaken to handle and encourage gathering of scrap rubber from remote areas. Uniform prices for carloads are paid anywhere in Canada with Fairmont absorbing that portion of the freight not recovered from the reclaimers. Voluntary salvage organizations are doing the collecting with a certain amount done by or through scrap dealers.

Tire Confiscation

Often asked is the question of why tires are not taken from "non-essential" cars and salvaged before worn out. The answer is that the bulk of the rubber in a tire for reclaiming is not in the tread but in the carcass and side walls on which there is little wear. After a tread is worn off 80% as much reclaimed rubber is secured as if the tire was taken when new. Average loss is estimated at only 10% as most tires are taken off when only partly worn. Moreover, the average tire now on passenger cars is estimated to be half worn out, or to have lost about 10% of its original rubber through wear. The most that can be lost by allowing these tires to remain in use is an estimated 3,000 tons in all, equivalent to only three weeks consumption of crude rubber at present reduced rates.

There are other arguments advanced officially. Among them are the admitted strain such an action would place on already overloaded transit systems were the owners of the estimated 825,000 "non-essential" cars forced to turn to other means of transport. The cost would be important. To pay for these four million tires in present usable condition would require at least $5 each, or $20 millions in all — and the scrap value when the tires are worn out will not be more than about $520,000. Deterioration in storage would easily result in a loss of at least as much as the estimated 3,000 tons of reclaim which will be worn off on the road. Finally, salvage officials estimate that they will receive the tires off about 150,000 of these cars within the next year anyway as the cars become unserviceable and are taken off the road.

Salvage is still voluntary except where specific orders have been issued by controllers such as has been done for rubber, jute bags and scrap iron and steel.

Until recently collapsible tubes were almost pure tin and tin is one of our scarcest metals. But the ingenuity of the tube makers has developed substitutes which now contain only a small percentage of tin—with the result that the tubes now being made are practically worthless for salvage. As the ordinary person has no way of knowing whether the tube he gets his toothpaste in is made of tin or a substitute, however, he should turn it in anyway and let someone who knows determine its salvage value.

Glass is wanted for salvage purposes—but not necessarily in all parts of the country as yet. All kinds of glass containers are wanted as they can be used over again. Prices have been fixed on wine, beer, liquor and milk bottles by the W.P.T.B. Cullet, that is broken glass, is also wanted in Montreal and Toronto but not in other places. Cullet can be used over again in glass making furnaces but facilities for gathering it have not yet been established in most parts of the country. Until recently, plate window glass had no salvage value but ways have now been found of using it.

Fat Problems

Any kind of fat and oil—animal and vegetable—ranks high in salvage value these days. Even the relatively small weekly amount which the householder can contribute is worthwhile. From this source it is estimated that a possible 40 million lbs. annually might be obtained, based on half a pound weekly from each of 1.5 million householders with a recovery of about 65%.

Salvage authorities admit they are not organized as well as they might be to handle fat and oil salvage in many centres of Canada. In places where regular garbage collections are made, arrangements are made to have garbage collectors pick up fats and oils placed out by householders in separate, marked containers. One possible plan for handling this type of salvage in places where there is no regular garbage collection may be to use butcher shops, a system already used in the United States where butchers pay the householders four cents a pound for fat and receive five cents from a government agency.

Rags of all kinds are another common form of salvage and one with which no particular difficulty has been experienced. Ordinary salvage channels handle most of this material, supplemented by the voluntary organizations. Wool rags make army uniforms; linsey goes into the shoddy which is remade into cloth; cotton rags are used as wipers in factories; other grades are used to make roofing rags.

Scrap Dealers Approved

There is in some quarters a strong prejudice against scrap dealers. On this question the salvage sub-committee of the special committee on war expenditures reported in July to the House of Commons as follows:

"There is in many quarters a strong prejudice against scrap dealers and a belief that in war salvage activities these dealers seek to take advantage of the patriotism of the public in order to make exhorbitant profits for themselves. Those holding such views advocate the setting up of some organizations to take all scrap and dispose of it direct for the benefit of the war effort without making use of any middleman.

"The evidence taken by the committee tended to show that it would not for the most part be practical or in the interest of the war effort to dispense with the services of the scrap dealers who have plants, equipment, personnel and experience to do their job efficiently. The prices of essential war scrap, and the profits which the dealers can make, are controlled. The committee approves of this and is of the opinion that this control should be constant and continuous."

Will Co-operate

The committee further concluded that a solution for unnecessary over-lapping and duplication lies in co-operation between the various salvage agencies. It recommended that some arrangement be worked out for conferences between the salvage agencies, and between those agencies interested in particular problems, to exchange ideas and information, discuss difficulties and work out new methods of salvage, examine instances of duplication and explore possible new or overlooked sources of scrap. Much of this, it is hoped, will be accomplished by the newly organized committee representing major government departments most vitally concerned.

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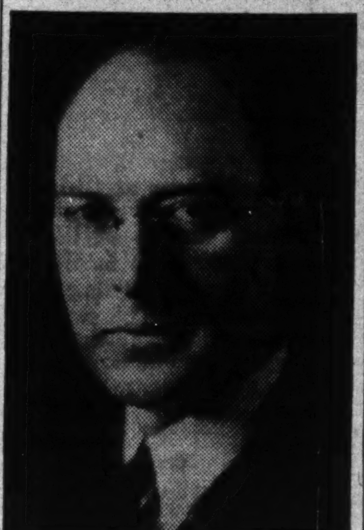
Weldon Named Head Of Newsprint Control

From Our Own Correspondent

MONTREAL—R. L. Weldon, 48-year-old president of Bathurst Power & Paper Co. and head of the Canadian Pulp & Paper Association, has been appointed newsprint administrator in succession to C. A. Vining, who heads the new Wartime Information Board.

The appointment is of more than ordinary significance. Other administrators of the Wartime Prices & Trade Board have limited powers and are primarily concerned with maintaining the price ceiling.



NEWSPRINT HEAD

R. L. Weldon, president of Bathurst Power and Paper Co. and of the Canadian Pulp and Paper Association, who has been named Newsprint Administrator of the Wartime Prices and Trade Board.

The newsprint administrator's job will be very intimately connected with the new policy which will govern operations of the different mills.

A large part of the newsprint industry now comes under the direction of the Newsprint Association of Canada. These mills are subjected to pro-rating of available tonnage.

In addition there are a number of other operators, who operate for the benefit of their newspaper-owners and are not subject to pro-rating.

Set up New Body

With the manpower and hydro power changes in prospect, considerable difficulties would develop if the non-commercial mills were brought under control of the pro-rated mills association. Hence in recent weeks Charles Vining, president of the Newsprint Association, had disassociated himself from that organization and undertook to establish the Newsprint Administrator's office on a much larger scale to cope with the new conditions.

The new policy envisages bringing all the mills under control of the administrator, who would have considerably more authority than is now granted to administrators in other fields. He will have the responsibility of re-allocating tonnage of mills which may have to close down; arranging for compensation to be paid to those mills adversely affected, other readjustment problems.

Arrangements were well advanced and proceeding smoothly, despite a number of apparent difficulties, when Vining took over the Wartime Information job.

R. L. Weldon's selection as his successor gets around a number of awkward problems. At present the company he heads is primarily a kraft producer, though it also has a small newsprint machine.

For more than 20 years, or ever since his graduation from McGill, Mr. Weldon has been associated with the pulp and paper industry. He started out as mechanical engineer with the old Laurentide Co., now part of Consolidated Paper. Afterwards he became associated with St. Lawrence Paper Mills, Newfoundland Power & Paper Co., International Paper Co., and finally, in 1936, he became president of Bathurst.

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Reproduced above is part of a campaign sponsored by the Pulp and Paper Industry in mill towns for the purpose of impressing householders with the importance of conservation and showing them how easy it is to save.

The simple, colourful "posterettes" are based on the advertisements which are appearing in mill town papers. These posterettes measure 10" x 13½", printed in both English and French — are in two colours and will be used on the mill bulletin boards.

Would you like to carry this message into your factory or community? If so, we will gladly send you copies of these posters or reprints of the advertisements. Simply write stating quantity desired.

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London Calling

by Adelphi

LONDON. — Since the last edition of these notes was despatched across the Atlantic much has happened. There has been the Canadian raid on Dieppe, the return of Mr. Churchill, the death of the Duke of Kent, and the counter attack of the Russians (which may or may not prove important). In fact the cauldron is boiling over and it is difficult to believe that there are not great and mighty events near at hand.

There is nothing new to add to the news of the brave storming of the Dieppe defenses but I would like to tell you this little incident related by Frank Owen, the former Editor of the "Evening Standard," and now a private in the British Army.

At his camp the first news of the Dieppe attack was misunderstood. The news spread like wildfire that the Canadians had attacked in force and that the second front was on. The British soldiers went wild with joy. They cheered themselves hoarse at the prospect of at last going into action. Then came the corrective that the attack was not more than a substantial raid—and the spirits of the British once more dropped. To me that is an encouraging story even if it may not seem very important.

My mind goes back to the spring of 1941 when as the guest of General Odlum, then commanding the Second Canadian Division, I visited the ancient Sussex Town of Lewes where Les Fuseliers Mont-Royal were giving a reception. Nothing could have exceeded the warmth and charm of the French Canadians, and far into the night they sang their songs of French Canada and the audience never seemed to have enough.

Many of those who sang those songs that day are sleeping now in soil of old France.

* * *

The Churchill Secret

The authorities would like to find out how many people in Britain knew that Mr. Churchill was in Moscow.

It is a reasonable deduction that the members of the Commons and Lords knew — but do politicians talk in their sleep? Many high officers in the Army and Navy did not know but on the other hand my barber knew and the cook next door was fully informed. With surprising prescience the man in the street, not having heard anything about the Prime Minister for some weeks came to the conclusion that he had gone to Russia: "Because that's about the only place he hasn't been to."

The press has greeted the news with complete unanimity of enthusiasm. In other words the newspapers are loyally supporting the Prime Minister while waiting for further details which may conceivably sharpen the editorial nibs. Mr. Churchill has indicated that he will meet Parliament early in September and tell his story. In the meantime the critics of the government are wondering just when and how they will open fire on the returning premier.

They are saying that when Churchill goes away Britain has no government since this is essentially a one man administration. They are asking what kind of a foreign secretary Eden is since he never joins in these peregrinations abroad. One of them, with a nice turn of phrase, said in conversation the other day: "Churchill is like a giant beech tree under whose branches nothing grows." Which seems a little hard on his ministers.

So much for the critics. The bulk of the people think it is a good thing for Stalin and our man to meet.

* * *

Churchill in Egypt

The contacts which Churchill made in Cairo were invaluable. He had his first chance in this war to discuss matters with General Smuts. The stature of that mighty statesman grows with his years. He also met R. G. Casey who so far has not made any spectacular impression upon the sands of the desert. Mr. Casey is a grand man, but his job is extremely difficult. No one quite knows what his authority is and he is not the type which likes to blast his way to power. Another personality whom Churchill contacted was King Farouk, and that, I imagine, was a meeting of some importance.

It would be the greatest mistake to imagine that the Egyptians are one happy family or that they are universally loyal to the British cause. We have many staunch friends there both among the people and in high places. The reverse is equally true. I have no doubt that the Prime Minister's talk with King Farouk was extremely useful.

Judging by the mere announcement I doubt if General Auchinleck enjoyed the Churchill visit as much as some of the others. War is a fickle jade. One moment sweet victory bids you come into her embrace and the next moment you are in a battle to the death against the hairy arms of defeat. On June 16 when the British tanks emulated the Light Brigade and charged against the unseen guns it looked as if Rommel's army might be cut to pieces and driven into the sea or sent wandering hopelessly into the desert. Instead, our tanks were shot to pieces, Tobruk surrendered and Auchinleck fell back to the Egyptian line of defense. The jade had proved cruelly unkind. The last episode in the sad story was the announcement that General Alexander has superseded "The Auk."

* * *

Alexander the Great

Perhaps you will remember that in these notes two or three months ago I indulged in a certain amount of raving about Alexander. You may recall what I wrote about Dunkirk when General Gort handed over the command of the trapped British Army to Alexander, who said: "Good! I always liked a nice beach—especially one that has a Casino on the Pier!" And how, when he took command of a brigade in India, he turned up to play in the hockey match between the officers and the sergeants before anyone knew who he was. That grand old soldier Field Marshal Lord Caven will talk for hours about his favorite "Guardsman" Alexander and it is good to listen to such enthusiasm.

It may be a shock to the democrats to learn that General Alexander went to Harrow in his youth —the same school that educated Mr. Churchill and Pandit Nehru who is now in an Indian gaol. He is not tall and rather affects a deceptive elegance. His moustache is large and silky, his boots shine like a virtuous deed, and he even moves like one accustomed to mingle with the gods. But at heart he is supremely a fighter.

During the battle of France one of Alexander's officers said: "The situation is catastrophic." Alexander stroked his moustache: "I never could understand big words," he snapped.

Hurled into the desperate Burma situation and with only some 25,000 troops, he fought a battle for three months which should have been ended in one. It has been said that thereby he saved India and perhaps it is true. Certainly Sir Reginald Dorman Smith, the Governor of Burma puts Alexander among the great fighting generals of this century.

Now for the first time in this war he will have a chance to take the offensive. But he is up against Rommel, who knows the desert like the palm of his hand. Well, we shall see what we shall see.

* * *

Brass-hat Lineup

The situation in regard to Generals and their prestige is an interesting one. Churchill must realize that as far as the public and the army is concerned these are the only British generals who have acquired prestige in this war:

Wavell
Alexander
Freyberg
Cunningham
McNaughton

I include the G.O.C. of the Canadians because, although he has not really been in action in this war, his prestige has reached a pitch which would command the enthusiastic loyalty of any army. The inclusion of Cunningham may also seem strange. He was the man who led Wavell's attack against the Italians in Libya and who recovered Abyssinia. Subsequently he ran foul of the "Auk" and was sent home, since when he has been unemployed. But the Army still believes in him and his return would be hailed with cheers. Poor Freyberg, that dauntless V.C. leader of the New Zealanders, has been wounded yet again but that will not stop him.

The smell of gunpowder is ozone to him and a bullet in his carcass is no more than the sting of a wasp. Yet it is unlikely that he will get a higher command than that of commanding fighting men in the line.

So Churchill's two real aces are Wavell and Alexander. If Wavell had not been forced to send reinforcements to Greece he might well have taken Tripoli and made the Mediterranean a British lake. He would probably have driven Italy out of the war and opened a deep wound in Germany's flank. But it was not to be—and Wavell's star went into a decline.

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Consolidated Paper

Price for my Consolidated Paper bonds has gone down quite appreciably. Is there any particular reason for this?

The decline in market price for Consolidated Paper Corp. bonds is in line with a generally lower price movement throughout the paper bond group. This movement is apparently attributable to a lower rate of newsprint operations along with continuing fears that diversion of power to the aluminum industry may have an adverse effect on the pulp and paper mills in Quebec and eastern Ontario. Production of newsprint companies subject to prorating for 1942 is not expected to exceed 65% of capacity compared with an average of 78.9% for 1941. In the case of Consolidated Paper the drop will not be as serious as might be expected, as in addition to newsprint, it has surplus pulp for sale, and also produces lumber and a substantial amount of kraft products.

Unofficial advices are that Consolidated Paper bond interest charges this year should be covered by a satisfactory margin, assuming that revenue from outside sources approximately equals that of 1941. A small balance should be shown, after taxes, on the common stock, on which earnings were 34 cents per share for 1941. It is anticipated that there will be a modest improvement in net working capital position.

National Hosiery

There does not seem to be much information around on National Hosiery Mills. Is the company active and is there a market for the stock?

There is currently a firm bid of 80 cents a share for the preferred stock of National Hosiery Mills, Hamilton. In 1941 this company reported a net profit of $2.24 a preferred share or a total net of around $48,000 compared with a loss of over $10,000 in 1940. Working capital at the end of 1941 totalled $236,342 compared with $201,440 at the end of the previous year. Sales volume in 1941 was up over 15% over that of 1940.

Officials state, however, that the future is obscure, that in view of the current raw silk situation it is extremely difficult to forecast what will happen to the full fashioned hosiery industry.

The fact that the market quotation for this stock is so much below 1941 earnings is attributable to the uncertain outlook for the company, the fact that the preferred stock is non-cumulative as to dividends and to the limited market interest in the stock.

Tip Top Tailors

I understand that Tip Top Tailors is reducing its dividend rate. Will you explain why?

Tip Top Tailors, Ltd., recently announced a declaration of a dividend of 7½ cents a share on its common stock, payable Oct. 1, 1942, instead of the 15 cent rate which had been in effect since April 1, 1937.

D. Dunkelman, president, explains that the reduction in dividends has been influenced by the fact that under wartime uncertainties it is necessary for the company to carry much larger inventory than normal. The company reports an increase in earnings for the first six months of 1942 over the same period a year ago but the directors have decided that the dividend should be reduced in view of the increased taxation effective July 1, this year.

Over three quarters of this company's production now goes directly to war needs. Last year's volume of sales were lower, due chiefly to a decrease in definite orders combined with their operating costs and net profits equivalent to $1.28 a share on the common as compared $1.24 a share in the previous year.

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A New Canada in North

(Continued from page 9)

activity in these regions there has been a steady economic growth in recent years. The territory has produced radium, uranium, silver, petroleum and gold in commercial quantities. Many other minerals are known to exist and will likely be developed once war is over.

What the relatively few northern air lines have done in the past in developing the country pales into insignificance now as the north becomes plotted on the aerial crossroads of the world. Pressure of the war and the vital need to take men and materials in a hurry to advance positions in this region has almost turned the north upside down. Already old-timers say that the old North is fast disappearing and in its place has come a new form of continental industrialism.

Northern activity has also thrown heavy duties on Canada's most northerly and not too well known governing body the Northwest Territories Council. With its seat of operations at Ottawa it is a unique unit in Canada and is headed by Dr. Charles Camsell, Commissioner, and assisted by R. A. Gibson, Deputy Commissioner, along with five council members.

These administrators have the answer to many of the North's puzzling problems and since 1937, when the body was formed, it has been primarily responsible for improving conditions and developing industries in this great northern area stretching from Hudson Bay to Alaska. The local issues of these small populated areas formerly little known even by Canadians, are now vital facts in the joint defense plans for the continent.

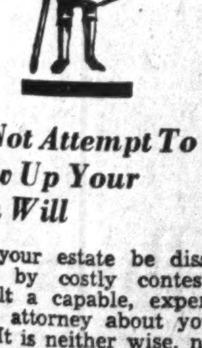
Boom conditions have already left their mark. All the familiar features of what happens to normal life when an army marches into a country are at hand. While many Canadian cities face housing and other problems of real magnitude due to war conditions, they fade out in comparison with northern trading posts which, in a few short months, have become international stopping places.

The pattern is much the same throughout the whole north. Edmonton is seeing the results in the shortage of accommodation, crowded restaurants, record rail passenger and freight as well as air traffic, better retail conditions than ever before in history, and the presence of hundreds of strangers from far-off places.

At some of the smaller northern points they have already turned over empty hospital rooms to weary travellers. Restaurants post signs regretting "No meals until more supplies arrive." Indians are no longer available for local work as they are receiving record wages on war projects. Job raiding by United States contractors was a live issue until recently but has lately been satisfactorily adjusted.

Wartime prosperity is on the march in the North to the accompaniment of clicking cash registers, huge supply sales, zooming population, record rail traffic, and unheard of construction. The booms of the past were short-lived and largely on the surface. Today's developments look like a long term proposition and go deeper into the very soil of the North.

Such are some of the happenings taking place in Canada's new northern Empire. That greater changes are yet to be seen is a foregone conclusion. Many feel that this section of Canada is on the threshold of a period of expansion which will have lasting benefit to the Nation. Whether or not the post-war period will witness the record activity which some now forecast is an open question. In the words, however, of Richard Finnie, experienced explorer and writer, "Canada moves North. Canada must move North. Mining and industrial development will creep over the circle and onward to the shores of the Arctic Ocean."



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CANADA

NATIONAL SELECTIVE SERVICE REGULATIONS

★ EFFECTIVE: SEPTEMBER 1, 1942

★ THOSE AFFECTED

ONE GROUP of regulations (A) applies to all workers, male and female, and their employers, except any persons employed:—

As female domestic servants in homes where there is not more than one servant employed; By a provincial government; As ministers, priests or clergymen; In casual labour; As professional engineers or science workers under the Wartime Bureau of Technical Personnel; In part-time subsidiary employment which is not a regular occupation; In agriculture, hunting, fishing, trapping; As teachers; As nurses and probationers; As students at work after school or on holidays other than long summer vacation.

The other Group (B) applies to all workers.

★ THE REGULATIONS

GROUP (A)

1. No worker may quit his job without giving his employer seven days' notice in writing.
2. No employer may lay-off or discharge any worker without seven days' notice in writing.
3. No employer may interview or engage any worker unless such worker has a permit to seek employment.
4. Permits to seek employment may be obtained from National Selective Service officers in Selective Service offices, formerly the local offices of the Unemployment Insurance Commission.

GROUP (B)

5. A National Selective Service officer has the power:
   (a) to order any person to report for an interview at the local office;
   (b) to order any person who has been unemployed seven days to take any suitable work; and
   (c) to order any partially employed person to take any suitable full-time work.
6. No person ordered by a National Selective Service officer to take a job may quit such job without permission of the officer.
7. When a worker has to travel to a distant job, the National Selective Service officer may pay the cost of transportation and certain other special allowances.
8. If a worker at the request of the National Selective Service officer changes from less to more essential work, he may claim re-instatement in his former job when the more essential work is finished.
9. Any employer, employee or other person who violates any provision of the regulations or any order made under them is liable to a fine not exceeding $500 or a jail term of not more than 12 months or both.

Note:—Agricultural workers may take seasonal or temporary employment outside agriculture with the consent of Selective Service Officers when such work will not interfere with farm production and by taking such work they will not lose their right to postponement of military service.

★ EMPLOYERS

Read the orders-in-council setting up the regulations and the Explanation of National Selective Service Regulations which can be obtained from Selective Service offices.

★ EMPLOYEES

Read the orders-in-council setting up the regulations and the Workers' Handbook which can be obtained from Selective Service offices or offices of trade unions.

ELLIOTT M. LITTLE,
Director National Selective Service

HUMPHREY MITCHELL,
Minister of Labour

3543

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 31

Range 1942 High	Low	Div R'te $	Aug 29 Y'ld %		Sales	Last Aug. 24	Week end. Aug. 31 H	L	Cl'se
				A					
.75	.40	.	...	Abitibi	1050	.50	.55	.50	.50
7	4	.	...	Do. pref. 6%	270	4½	4½	4½	4½
25	13	.	...	Do. pref. 7%	....	(13½ bid 14 asked)			
3	3	.	...	Acme Glove	....	(3 bid 3½ asked)			
60	50	6.50	13	Do. pref.	....	(— bid 61 asked)			
13	11	80+20c	9	Agnew Surp.	30	11	11½	11½	11½
110	106½	7	6.6	Do. pref.	....	(107 bid — asked)			
.90	.75	.	...	Alta. Pac. Gr.	....	(— bid .75 asked)			
26½	21½	.	...	Do. pref.	60	25½	26	25½	25½
9½	8	.	...	Algoma Steel	105	8½	8½	8½	8½
84	82	5	6.1	Do. pref.	20	82	82	82	82
109	85½	6+2	11.6	Aluminium	225	87	86½	86½	86½
118	111½	6	5.4	Do. pref.	....	(— bid — asked)			
7½	6	50c	..	Amal. Electric	....	(6 bid — asked)			
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
43	40	2.75	6.5	Ang. Can. Tel. p	60	41	43	42	43
19	16	80+40c	7	Asbestos	480	17	17	17	17
18½	13½	1.75	12.2	Assoc. Brew.	70	14½	14½	14½	14½
112	109½	7	6.2	Do. pref.	....	(111 bid — asked)			
†1	1	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
‡24	24	96c	...	Do. pref.	....	(— bid 23 asked)			
102½	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			
				B					
150	125	6	4.8	Bk. Can. Nat.	10	127	125	125	125
189	130	6	4.5	Bk. Montreal	33	130	132	130	130
275	224	10	4.4	Bk. N. Scotia	5	235	224	224	224
255	212½	10	4.4	Bk. Toronto	25	218	225	215½	225
6½	6½	47½c	..	Barber Ellis	....	(6 bid — asked)			
.20	.20	.	...	Fleury Bissell	....	(.20 bid .50 asked)			
10	10	.	...	Do. pref.	....	(10 bid 14 asked)			
18½	14½	1	5.6	Ford Motor A.	753	18½	18½	17½	18½
18½	14½	1	5.6	Do. (B)	....	(— bid — asked)			
.15	.15	.	...	For. Pr. Secs.	....	(— bid .25 asked)			
16½	12	‡1.20+80c		Foundation Co.	75	14	14	13½	14
13	7	.	...	Fraser Cos.	75	7½	7½	7½	7½
13½	7½	.	...	Do. Vot. Tr.	279	7½	8½	7½	8½
.50	.50	.	...	Freiman	....	(50 bid — asked)			
65	55	1.50	...	Do. pref.	....	(55 bid — asked)			
6½	4½	60c	10	Gatineau Pwr.	175	6	6½	5	6
77½	61½	5	6.9	Do. pref.	160	72	72	72	72
80	70	5.50	6.9	Do. 5½% pref.	10	79½	78½	78½	78½
†1.25	.25	.	...	Do. Rights	....	(— bid .19 asked)			
6½	5	30c	...	Gen. St. Wares	425	5	5½	5	5
92	84	7+53c	8½	Do. pref.	45	84½	84½	84½	84½
60	31½	2.50+2.50		Goodyear Tire.	....	(45½ bid — asked)			
50	39	2.50	5	Do. pref.	35	49½	50	49½	50
†67	67	1	...	Gould Pumps	....	(— bid — asked)			
†4	2½	.	...	Gt. Lakes Pap.	....	(.50 bid 1.00 asked)			
†16	16	‡75c	...	Do. pref.	....	(5 bid 20 asked)			
2.50	1.00	.	...	Do. Vot. tr. c.	....	(1.95 bid 2.00 asked)			
16½	11	‡75c	...	Do. Vot. tr. p	....	(12 bid 13 asked)			
4½	3½	.	...	Gt. W. Saddlery	....	(— bid 4 asked)			
28	24	3	...	Do. pref.	....	(21 bid — asked)			
11½	10	60c	5.4	Greening Wire.	100	10	11	11	11
‡1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
3½	2	.	...	Gurd, Chas.	75	3½	3½	3½	3½
70	70	.	...	Do. pref.	....	(— bid — asked)			
3½	2½	.	...	Gypsum, Lime.	530	3½	3½	2½	3

Range 1942 High	Low	Div R'te	Y'ld		Sales	Last Aug. 24	H	L	Cl'se
1.20	.60	.	...	Do. (B)	15	11	12	12	12
12½	5½	.	...	Do. pref.	....	(67 bid 72 asked)			
80	68	7	10	Wood, A & J p	....	(— bid 65 asked)			
60	55	.	...	Woods Mfg. pf.	....	(4 bid 5½ asked)			
5	4	40c	...	York Knitting.	....	(— bid — asked)			
•100	100	7	...	Do. 1st pref.	....				
12	10½	80c	7.3	Zellers	195	11	11	11	11
25	24	1.50	6.2	Do. pref.	80	24½	24	24	24

Quotations: †1941. §1940. • 1939. * 1938.
▲ On account of arrears.
■ Participating. ‡ Paid in 1941. ♦ Paid in 1942 to date.
* Net after corporate income tax paid in 1942 to date.

Mining Stocks

Week Ending August 31.

Par Val.	Range 1942 High	Low	Company	Sales	Close Aug. 24 (or last)	High for week	Low for week	Close Aug. 31
			A					
No	.16½	.07½	Aldermac	1,800	.07½	.07½	.07½	.07½
1	.00½	.00½	Amm. Gold	500	.00½	.00½	.00½	.00½
No	2.55	1.75	Anglo-Huronian	......	(2.01 bid .... asked)			
No	.25	.20	Argus Interests	......	(.25 bid .50 asked)			
No	*.01	.01	Arno	......	(.... bid .01½ asked)			
1	.04½	.02	Ashley	100	.03	.02½	.02½	.02½
1	.02	.01½	Astoria Quebec	......	(.... bid .02 asked)			
1	1.47	.85	Aunor Gold	2,766	1.07	1.07	1.06	1.07
			B					
1	.06	.02	Bagamac	......	(.03½ bid .... asked)			
1	.05½	.02½	Bankfield	500	.03	.02½	.02½	.02½
No	.09½	.05	Base Metals	700	.05½	.05	.05	.05
1	.06½	.02½	Bear Exploration	1,000	.04	.04½	.04½	.04½
1	.94	.55	Beattie Gold	1,050	.58	.58	.55	.55
1	.03	.02½	Beaufor	500	.03	.02½	.02½	.02½
1	.65	.60	Berens River	......	(.60 bid .80 asked)			
1	.10	.04½	Bidgood Kirk	5,233	.05½	.05½	.05	.05
1	.12½	.06	Bobjo	2,100	.08	.08½	.08	.08½
1	.32½	.06	Bonetal Gold	3,700	.07	.06½	.06	.06
1	.03	.01½	Bouscadillac G.M.	......	(.01½ bid .02½ asked)			
No	9.30	5.75	Bralorne	820	5.85	6.10	5.85	6.10
1	.03	.02½	Brasil Gold	......	(.... bid .02½ asked)			
1	.00½	.00½	Brett Trethewey	......	(.00½ bid .00½ asked)			
1	.61	.35	Broulan Porc.	9,500	.37	.35½	.35	.35
1	2.80	.90	Buffalo Ankerite	1,500	1.10	1.16	1.15	1.16
No	.02½	.01	Buffalo Can.	900	.02½	.01½	.01½	.01½
5	12.50	5.00	Bulolo Gold	102	7.75	7.37	6.75	6.75
No	.01½	.01	Bunker Hill	......	(.01 bid .... asked)			
			C					
1	*.11	.05	Camp Bird	......	(.01 bid .06 asked)			

Oil Stocks

Par Val.	Range 1942 High	Low	Company	Sales	Close Aug. 24	High for week	Low for week	Close Aug. 31
No	.05	.03	South End	......	(.... bid .03 asked)			
No	.20	.15	Southwest Pete	......	(.15 Mar. 9)			
1	.05	.03	Spooner	75	.03	.03	.03	.03
25c.	.09½	.08	Sunset Oil	......	(.05½ bid .... asked)			
No	.04½	.02	United	200	.04	.03½	.03½	.03½
No	.05	.04	Vanalta	......	(.04½ bid .... asked)			
1	.20	.12	Vulcan	......	(.13 bid .... asked)			

* Quotations for 1941; † 1940.

Winnipeg Stocks

(Transactions from Aug. 24 to Aug. 29)

	Sales	High for period	Low for period	Close Aug. 29
Callinan Flin Flon	9,000	.01	.01	.01
Crescent Creamery, pref.	1	11.00	11.00	11.00
United Grain Growers	30	10.00	10.00	10.00
Western Steel Prod.	134	9.25	9.00	9.00

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, c	2½	5	Nor. C. Mtg. un.	3½	..
Beav. Lumber, p	100	..	Nor. Mtg. pt. pd.	.75	..
Can. Indemnity	130	..	Nor. Trusts	6	..
Dom. Envel., c.	..	7½	Traders Bldg.	44	..
Dom. Envel., p.	..	90	Unit. Grain	10	10½
Fed. Grain, c.	..	1¼	West. Brew.	2	2¼
Grouped Inc.	..	4½	West. Grain, p.	..	7
Home Invest.	27½	..			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 1	4,700	900	88,000	......
Aug. 31	4,200	3,800	101,000	23,000
Aug. 29	1,900	25	58,000	11,650
Aug. 28	3,500	3,800	94,000	10,325
Aug. 27	4,200	1,290	92,000	15,800
Aug. 26	6,000	2,300	90,000	9,218

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Sept. 2, 1942

%	Due	Bid	Ask.	Approx. Yld.
	Dominion of Canada Bonds			
3	Oct. '42	10	100½	...
2½	June '43	100½	101½	.82
5	Oct. '43	103½	104	1.41
2	June '44	100½	101½	1.27
1½	Sept. '44	99½	100½	1.38
2½	Jan. '44	100½	100½‡	b.75
4½	Oct. '44	105½	106½	1.50
2½	Nov. '44	101½	102½	1.46
a2½	Aug. '45	100½	‡100½	b1.80
4	Oct. '45	102½	102½	b1.42
2	Mar. '45	100½	101½	1.54
2	Dec. '46	99½	99½	2.03
4½	Feb. '46	108	108½	1.92
2½	Mar. '48	99½	99½	2.30
3½	June '49	102½	103½	b2.38
3½	Oct. '49	102½	102½	b2.11
3½	Nov. '51	101½	102½	b2.88
3½	Feb. '52	102½	102½	a2.88
a5	May '52	101	102	b
4	Oct. '52	105½	106½	b2.74
a3	June '51	100½	100½	2.98
3	Oct. '52	99½	100½	2.98
3	June '55	99½	100	3.00
4½	Nov. '56	106½	107½	b2.71
a3	Mar. '54	99½	100½	3.05
4½	Nov. '57	107½	108	b2.85
3	June '58	99½	10	3.00
4½	Nov. '58	108	108½	b2.98
4½	Nov. '59	109	109½	b3.02
a4	Oct. '60	106½	‡107½	b2.95
a3½	Jan. '61	100½	101½‡	3.12
3½	June '68	101½	101½	b3.10
a3e	Jan. '67	97	98½	3.12
a3e	Nov. '68	96½	97½‡	3.13
†3	Perpet'l.	94	95	3.16
	Dominion Guarant'd Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100½	100½	.99
2½	Jan. '46	100½	101½	1.89
3	May '44	102½	102½	1.45
3	Dec. '50	100	100½	2.85
3	Jan. '59	99½	99½	3.02
*4½	Sept. '51	118	119	2.19
*4½	Feb. '56	119½	120½	2.67
4½	July '57	119½	120½	2.80
3	Feb. '53	99½	10	3.00
4½	June '55	120½	121½	2.77

%	Due	Bid	Ask.	Approx. Yld.
5	Feb. '54	117½	118½	3.05
*5e	July '69	118½	119½	...
*5e	Oct. '69	122½	123½	b3.06
*5e	Feb. '70	122½	123½	b3.20
	Can. Nat. W. Ind. S. S.:			
*5	Mar. '55	122½	123½	2.76
	Grand Trunk Pacific Rly.:			
3	Jan. '62	101½	103	2.80
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	94½	96½	3.45
3½	Aug. '49	96	98	2.57
3½	June '56	96	98	3.68
c4	Nov. '47	108	110	b.87
c4½	Apr. '61	108½	110½	3.72
c5	Jan. '60	110	112	4.03
	Nova Scotia:			
3	Jan. '52	98	99½	3.06
3½	June '56	99½	100½	3.20
3½	Nov. '50	101½	102½	3.15
c4½	Sept. '52	113½	114½	b1.53
c4½	Nov. '60	114½	116½	3.28
c5	Mar. '60	119½	121½	3.37
	Ontario:			
2½	May '45	100½	101½	2.03
3	Apr. '43	100½	101½	b2.64
3	Nov. '50	99½	100½	b2.90
3½	Nov. '51	100½	101½	b3.02
3½	May '55	100½	101½	b3.04
*4	June '62	114	116	2.93
4½	June '50	109½	110½	3.02
*4½	Jan. '62	119	121	3.06
5	Oct. '48	110	111	3.05
*5	Dec. '60	124½	126½	3.07
5½	July '46	109	110	2.83
	Ont. Hydro Commission:			
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b3.02
3½	Apr. '47	102½	104	2.63
	Prince Edward Island:			
4	Mar. '54	102	104	3.57
	Quebec:			
3	Nov. '47	98½	99½	3.05
3½	Mar. '48	99½	100½	3.20
3½	Mar. '59	99	10	3.50
4	Nov. '52	102½	103½	b3.50

%	Due	Bid	Ask.	Approx. Yld.
3½	Feb. '55	100½	101½	b3.57
4½	Aug. '58	105½	107½	3.83
4½	Jan. '63	110	112	3.68
	Alberta:			
4½	Oct. '51	78	..	d
4½	Oct. '56	74½	77½	d
4	Dec. '54	73½	76½	d
*5	Oct. '59	76½	80½	d
c5½	Apr. '52	77	80	d
6	Mar. '47	77½	80½	d
	British Columbia:			
4	Dec. '57	103	...	...
*4½	Jan. '51	110	111½	2.95
c4½	Oct. '53	110	111½	3.25
c5	Apr. '54	114	116	3.37
5½	Feb. '45	104	105	3.32
6	Feb. '47	110½	111½	3.23
	Manitoba:			
c4	Dec. '57	10	102	3.83
c4½	Dec. '56	104	106	3.93
*5	Dec. '59	107	109	4.25
5½	Oct. '55	109	111	4.48
6	Apr. '47	106½	108	4.07
	Saskatchewan:			
4	Sept. '54	81½	83½	5.95
4	Nov. '60	79½	81½	5.65
c4½	Oct. '31	90	92	5.63
c4½	Mar. '60	87½	89½	5.42
5	Aug. '58	89	91	5.87
5½	Oct. '52	93½	95½	6.11
6	Mar. '52	97	99	6.13

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds. §—Calculated to 1950 average maturity. ■—Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Sept. 1, 1942

Industrial:	Bid	Ask.		Bid	Ask.		Bid	Ask.
Acme Farm., pf.	47	50	Neilson, Wm., p.	100	..	Continental L.	30	35
Andian National	26	27½	N. Meth. Ldy. p.	68	..	Crown Life	260	280
Anglo C. Tel., A	6½	7	Ont. Tobacco, p.	18	20	Dominion Fire	138	..
B. C. Pulp c.	9	10	Prov. Paper, pf.	97½	100	D. of Can. Gen.	114	120
Do., pfd.	63	65	Quinte Milk	2½	3½	Empire, 25% pd.	4	5
B. C. Sugar	63	66	Stand. Fuel. p.	52	54	Excelsior 40% pd	68	72
B. C. Tel p.	102	..	Do., com.	½	1½	Fed. Fire	52	54
Brown, com.	1½	1½	Stedman, pf. $50	50	55	Great-West Life	203	208
Do., pfd.	22	24	Sutton Horsley	½	1	Federal, 25% pd.	52	54
Burns & Co., A.	4	5	Tor. Carpet, c.	63	..	Halifax Fire	15	16
Do., B	1	1½	Do., pfd.	70	73	Imperial Life	260	270
Can. Co-op. Wl.	8	..	Un. F. Co-op.	3	4	Manufac. Life	217	222
Can. Indust. A.	143	145	Un. Steel, A pf.	23½	24½	Monarch Life	32	35
Can. Airways	1½	1½	Viceroy Mfg. c.	12	..	National Life	7	10
Can. Ing. Rand	68	..	**Trust & Loan Stocks:**			Sov. L. 25% pd.	12	14
Can. Mot. L.A.B.	5	..	British Mtge.	125	130	Sun Life	220	240
Chase, A. W., p.	18½	20	Brockville Tr.	43	..	Tor. General	4½	5½
Colonial Realty.	2½	..	Cap. Trust	28	31	Wellington Fire	58	..
Colonial Steam.	41	45	Comm. Fin., c.	41	..	Western Assce.	36	38
Corr. Pap. Box c	2	3	Grey&Br.Tr. $50	43	..	**Theatre Stocks:**		
Do., rgts.	6	9	Guaranty Trust.	100	103	Allen's, St. Cath. units	52	55
Dunlop T. p. $25	16½	17½	Guelph & O. $50	50	53	Do., Kingston.	62½	65
Easy Wash. p $10	9½	11	Indust. Mtge.	25	30	Loew's London p	5	..
Galt Brass, c.	9	11	Lambton Loan	32	34½	Mansf. Theat., p	30½	31½
Goderich Elev.	7	8	Midland Loan	14	16	Para. Kitch. p.	40	..
Guard. Realty, p	17	..	Premier Trust	..	32	Do., Oshawa c	7	9
Guelph Carp., c.	16	18	Sherbrooke Tr.	120	..	**Investment Trust Shares:**		
Gurney Fdry., p.	1½	1½	Sterling Trust	50	53	Inv. Found. un.	40	45
Hayes Steel, c.	11	13	Th. Can. Inv. Tr.	1½	1½	Sec's. Hold., pf.	19	22
High. Dairy	..	2	Traders Fin. A c	4	6	United Corp., A	20½	22
Do., pref.	..	48	Do., A pfd.	55	60	Do., B.	4½	5½
Inglis, John	6	8	Trusts & Guar.	31½	33	**Power Issues:**		
Ingram & Bell p	94	..	Victoria Trust	66	70	Can. W. N. Gas	25	27
Kingst. Ship., c.	9	..	Waterloo Trust.	100	..	Do., pfd.	100	..
Loblaw Inc., c.	12	13	**Insurance Stocks:**			Gt. Lakes Pr., p	100	102
Minn.&Ont. P. c.	3	3½	Canada Life	360	370	Int. Util. $1.75 p	8	12
Moirs, pfd.	18	21	Brit. Amer.	50	51½	Do., $3.50 p.	24	26½
M'row Screw, p.	100	105	Canadian Fire	77	80	Mtl. Isl. Pwr. p.	41	..
Do., com.	14	16	Confed. 30% pd.	128	136	Nor. Ont. Pr. p.	70	74
Morrison Br. um	5	6	Cons. Fire	3½	..			

Unlisted Mines

Toronto, September 1, 1942

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Albany R (Old)	.01	.03	Cons Chib	.03	.06	Martin Bir	.02	.03	Propri'y	3.50	4.00
(New)	.06	.08	Delpine	..	.03	Mata Cana	.02	.04	Predor	.01½	.02½
Amal Kirk	.04	.06½	Desantis (New)	.03½	.04½	Mata Con	.10	.15	Queb Mn	.26	.28
Anoki	.01	.03	Dona Pat	.00½	.01½	McMar'ac	.05	..	Rand Mal	.08	.10
Aquarius	..	.15	Eastward	.06	.10	Mof Hal n	.01	.02	Red Lake	.00½	.02
Arjon	.02	.03½	Elmos	.03	.06	Mosher	.05	.06	Ritoria	.01	.02
Armistice	.02	.05	Franco	.15	.20	McManus	.00½	.01½	Rouge	.00½	.02
Argosy	.03	..	Galore	.00½	.01½	Nat Mal	.10	.12	Republic	.15	.17
Area	.02½	.04	Goodrock	.40	.42	Nickel O	1.10	1.30	S.A.G.A.	..	.35
Arntfield	.00½	.01½	Hayes Cad	.01	.02	Norbeau	.16	.20	Sachigo	6.00	6.25
Athona (New)	.00½	.01½	Hoyle new	.04½	.05½	N Ribago	.00½	.01	Sheldn	.04	.06
Barb Lard	.01	.02	Hugh PaP	.01½	.03	Numalake	..	.12	Skynner	..	.01½
Brock	.03	.04	Kirk Gate	..	.01½	Oklend	.01½	.03	Springer	.12	.14
Clifton Cn	.00½	.11	Kir Town	.04	.06	O'Leary M	.01½	.03	Tombill	.10	.12
Can Rad	.04	.06	Lacoma	.00½	.01	Opemiska	.07	.11	Stadacona	.06	..
Central M	.01	.02	Laguerre	.02½	.05	Orpit	.01½	.02½	Thomson	.07	.08½
Cheminis	.02	.03½	Lake Gen	.07	.10	Pascalis	.07	.12	Union Min	.01	.03
Clonmel	1.45	1.50	Lw Pete	..	.12	Pontiac R (Old)	.03	..	Wesley	.00½	.01½
Columbi'e	.20	.22	Magnet L	.05	..	Pelangio	.00½	.01½	Y David'n	.16	.20
			Magnet C	.18	.22	Polaris	.00½	.01			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 1, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Sept. 1	Asked	Bid Aug. 25
▲Alg. Cen. H.B.R.	5	'59	21½	23½	22
†Assoc. Tel. & T.	5½	'55	67	70	66½
B. C. Power	4½	'60	98½	100½	98½
B. C. Tel.	4½	'61	105½	107½	105½
†Calgary Pwr.	5	'60	108½	110½	109
Do.	5	'64	105½	107½	105½
†Can. Nor. Pwr.	5	'53	99	101	99½
*Dom. Gas & El.	6½	'45	103½	106	103½
Gatineau Pwr.	5	'49	100	102	100
*Do., A	3½	'69	101	103	101
♦Do., B	3½	'69	99½	101½	100
Gt. Lakes Pwr.	4½	'56	100½	103	100½
Do.	5	'57	98½	101	98½
*Int. Hydro-El.	6	'44	44	47	42
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102½	100
Macl'n-Que. Pr.	4	'59	100	102	100
Mtl. L. H. & Pr.	3½	'56	103	105	103
Do.	3½	'73	100½	102½	100½
Do.	3½	'63	101	103	101
†Mtl. Tramways	5	'51	101	103	101
†Do.	5	'55	80	83	79½
Nat. Lt. & Pwr.	6	'49	101½	104	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102	104½	102
Ottawa V. Pwr.	5	'59	101	103½	101
†Power Corp.	4½	'59	92½	95	92½
Quebec Pwr.	4	'62	103	105	103
*Saguenay P.	4½	'66	108	110	108½
♦Do., B	4½	'66	105½	108	106
St. Maurice Pr.	4½	'70	104	106	104
Shaw. W. & Pr.	4	'61	103	105	103½
Do.	4	'69	103	105	103½
Union Gas	4½	'50	95	98	94½
*Twin C. R. Tr.	5½	'52	87	90	87½
†United Secs.	5½	'52	95	98	95½
‡Wpg. El. ser. A.	5	'65	83½	86½	83½
Do., B	5	'65	73	76	73
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	54½	57½	56
Do., C.O.D.	5	'53	54	57	55½
Acadia Sugar	4½	'55	100½	103	100½
Do.	6	'54	93½	96	93
†Alta. Pa. Grain.	6	'46	103½	106	103½
Algoma Steel	5	'48	102½	105½	102½
Atlantic Sugar	4	'51	100½	103	100½
†B. C. Pulp & P.	6	'50	..	87	..
‡†Do.	7	'50	...	107	104
*Brown Co.	5	'59	73	76	74
Burns & Co.	5	'58	69	72	69
Canada Cement	4½	'51	102	104½	102
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	101	...	101
Can. Steamship	5	'57	102	104½	101½
Can. Canners	4	'51	101	103½	101
*Can. Int. Paper	6	'49	102½	105	102½
‡Can. Locomotive	6	'53	92	95	93½
‡†Candn. Vickers	6	'47	92	95	93½
C. P. R.	3½	'51	96½	98½	93½
Do.	4	'49	100	102	100½
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	58½	61½	62
Dom. Coal	4½	'52	97½	100½	97
Dom. Scott. Inv.	4	'52	98	101	97½
Dom. Stl. & C.	6½	'55	103	106	103
Dom. Tar	4½	'51	103½	106	103½
Dom. Woollens	6	'53	97½	100½	96½
†Donnacona Pap.	4½	'56	76	79	76
*Dryden Pap.	6	'49	101	104	101
†East. Dairies	6	'49	..	73	70
Famous Players	4½	'51	101	103½	101
†Federal Grain	6	'49	103½	106	103½
†Fraser Cos.	6	'50	102½	105	102½
Galt Brass	5	'50	93	..	93
Gen. Stl. Wares	4½	'52	101½	104½	101½
*Gt. L. Paper	5	'55	91	94	91½
*Gurney Fdry.	5½	'49	83	86	83
†Gypsum Lime	5½	'48	102	104½	102
Ham. By-Pr. C.	5	'55	102	104½	100½
Do.	6	'56	101	103½	99½
Ham. Cotton	4½	'50	100	103	100
Inter-City Bak.	5½	'48	101	104	101½
Indust. Accept.	4	'52	82	84½	81
Ins. Ex. Bldg.	3	'51	52	55	52
*Inter. P. Nfld.	5	'68	94	97	94
*Inv. Bond & Sh.	5	'47	35	40	35
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	78	81	78
Do.	5	'61	50	53	50
Legare	6	'61	88	91	88
Maple L. M.	3	'58	83	85½	82
Man. Sugar	5	'60	102½	105	102
Massey-Harris	4½	'54	97½	100½	97
McColl-Fron.	4½	'49	97½	100½	97½
McCormicks	4	'52	97½	100½	97½
Do.	4½	'53	104	106	104
Mercury Mills	5	'59	95	98	95½
Mersey Paper	5	'57	92½	95½	92½
†Do.	6	'49	92½	95½	93½
*M. & O. Paper	6	'60	95½	98½	97
Moirs Ltd.	6	'63	75	79	76
Mtl. Drydocks	6	'48	84	87	83½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Sept. 1, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32½	35½	+½
Atlas Steels, com.	19½	21½	—1
Do., 7% pref.	106	107	—½
Brantford Roofing, c.	2½	3.00	—½
*Can. Gen. Rubber, pfd.	..	22½	—½
Can. Mach., new com.	8½	10	unch
C.P.R., 4% p. (£ par)	1½	2.50	+½
Capital Wirecloth, pfd.	19½	23	unch
Cawthra Apts., pfd.	2.25	3.25	unch
Century Finance, com.	..	26½	+½
Claude Neon, 7% pfd.	1.00	1.50	—.05
Collingwood Term., pf.	1½	..	+½
Do., com.	1.00	..	+.15
Comm. Life, 10% pd.	6	7½	—½
†Copeland Flour units	15	16½	+½
Dairy Corp., pfd.	9	10	unch
Dom. Alloy Steel, pfd.	.05	.15	unch
Dom. Life, 70% pd.	178	205	+1
Dover Industries	6½	7½	—½
Eastern Steel, 5% pfd.	20½	21½	+½
†Ft. Wm. Hotel, units	..	45	—½
Hart Battery, com.	4½	4½	+.10
London & West. Trusts	30½	32½	unch
Mont. Deb. Corp., pfd.	2	2.65	—.05
Mt. Royal, new com.	2.75	3.50	—½
Murphy Paint, com.	7.25	9	—½
Do., 5½% pref.	90½	91½	+½
Nat. Hosiery, com.	.75	.90	+.05
Do., pfd.	.90	1.20	unch
†N. Amer. Elev., 1st pfd.	87½	..	+2½
*Do., 2nd pfd.	27½	..	+½
Do., com.	..	1½	+½
P. L. Robertson, old c.	30½	..	+1
St. John Dry D., 5½% p.	99½	101½	unch
Supertest Pete., 6% pfd.	26½	27½	unch
Tip Top Tailors Inc., un.	9	11	+½
Traders Finance, rts.	7	8½	+½
Viceroy Mfg., 6% pfd.	21½	23½	unch
Waterloo Mfg., new c.	.90	1.15	+.05
West. Can. Hydro, pfd.	11½	12½	unch
West. Life, 10% pd.	9½	10½	—½
Windsor Hotel, com.	2½	3	—½

* Issue carries arrears.
† Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Sept. 1	Asked	Bid Aug. 25
Montreal Apts.	4	'54	47½	50½	48½
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	81½	84½	81½
Price Bros.	5	'57	92	94½	92½
Do.	4	'57	69	72	69
*Prov. Paper	5½	'47	104	107	104
Reliance Grain.	4½	'52	98½	101	99
†Restigouche Co.	6	'48	102	104½	102
Rolland Paper	4½	'51	101½	103½	101
Ruddy, E. L.	6½	'48	83	86	83
Silv. Dairies	6	'66	93	96	93½
Simpsons, Ltd.	4½	'51	100	102½	100
Smith, Howard.	4½	'51	103	105½	103½
Stand. Lime	6	'44	98½	..	98½
Sterling Coal	6	'45	98	101	98
Stop Shop	3	'47	64½	67½	64½
United Amuse.	5	'56	100	102½	100
United Corp.	5	'53	94½	97½	94½
*United Gas	5½	'48	104	107	103½
United Gr. Grs.	5	'48	100½	103½	101
†Western Grain	6	'49	61	64	62½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

Sept. 1, 1942

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	105.50	108.50	4.34
Hamilton	5	1950	108.00	112.00	3.24
Montreal	5	1943	94.50	97.50	*
Ottawa	4½	1945	104.00	105.50	2.42
†Quebec	5	1959	109.50	110.50	4.14
Saint John	5	1950	105.50	108.50	3.79
†Toronto	4½	1955	110.50	113.50	3.18
†Vancouver	5	1950	98.75	100.75	4.88
Winnipeg	5	1944	100.00	103.00	2.94

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.80	1.97
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	2.90	3.20
Can. Investors	4.12	5.00
Corp. Investors	4.82	5.25
Trans-Canada	8.35	9.10

Annual Meetings

1942: Company	Place
Sept. 10—Crown Life‡	Toronto
Sept. 10—Ont. Steel Prod.	Gananoque
Sept. 10—United Securities†	Montreal
Sept. 11—Canada Packers	Toronto
Sept. 14—Chromium Mining	Toronto
Sept. 23—Lake Shore Mines	Kirkland Lake
Sept. 28—Kerr Lake Mines	New York, N.Y.
Sept. 28—Paymaster Consol.	S. Porcupine
Sept. 30—McColl-Front. Oil*	Montreal

†Bondholders. ‡Special general. *For preference and common shareholders.

Mining Dividends

	Rate	Aug. 31	Yield %
Anglo-Huronian	20c	2.00	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	1.07	14.9
Bayonne	†1c	.03½	..
Beattie Gold	10c	.55	..
Berens River	9c	.65	..
Bralorne	80c+40c	6.10	*20
Broulan Porc.	12c	.35	..
Buffalo Ankerite	▲30c	1.16	..
Bulolo Gold	$3	6.75	..
Can. Malartic	8c	.35	..
Cariboo Gold	15c	.95	..
Central Patricia	16c+2c	.70	*2.5
Chesterville	▲15c	.50	..
Cochenour Willans	6c	.55	10.9
Coniagas	10c	.76	..
Coniaurum	‡10c	.50	..
Cons. Smelters	$1+$1.50	33.12	*7.6
Delnite	6c	.52	..
Dome Mines	$1.60	13.50	11.8
East Malartic	‡5c	1.00	..
Francoeur Gold	▲4c	.17	..
Goldale Mines	2c	.08	..
Gold Belt	2c	.12	..
Grandview	2c	.11	..
Grull Wihksne	†.00½c	.01½	..
Hallnor	40c	1.80	22.2
Hard Rock	3c	.31½	..
Hedley Mascot	8c	.17	..
Hollinger	65c	7.15	9.1
Howey Gold	2c	.14	..
Hudson Bay	$2	22.00	9.1
Inter. Nickel, com.	$2	30.00	6.7
Island Mountain	8c	.85	..
Jason	▲4c	.10	..
Kerr-Addison	‡22c	3.60	..
Kerr Lake	▲5c	.50	..
Kirkland Lake	8c	.45	..
Lamaque Gold	‡30+25c	3.60	..
Lake Shore	80c	7.75	10.3
Leitch	8c	.50	16
Little Long Lac	‡10c	.72	..
Macassa	32c+3c	1.85	*18.9
Madsen R. Lake	3c	.33½	..
Malartic Gold	▲10c	1.22	..
McGillivray Coal	1c	.10¼	..
McKenzie Red L.	12c	.51	23.5
Moneta	8c	.24	..
McIntyre-Porc.	$2.22+$1.11	38.25	*8.7
MacLeod-Cockshutt	10c	1.00	..
Negus	2½c	.30	..
Nipissing	15c	.87	..
Noranda	$4	44.00	9.1
North Empire	‡10c	1.00	..
O'Brien Gold	3c	.50	..
Pamour Porc.	▲12c	.32	..
Pato Cons.	‡25c	2.10	..
Paymaster Cons.	2c	.15	..
Pend Oreille	▲6c	.92	..
Perron Gold	16c	.80	20
Pioneer, B. C.	‡33c	1.13	..
Pickle Crow	30c	1.42	21.1
Placer Develop.	25c	5.00	..
Premier	8c	.42	19
Preston E. Dome	20c	1.45	13.8
Privateer Mines	12c+1c	.27	..
Quebec Gold	▲2c	.20	..
Reno Gold	20c	.04⅝	..
San Antonio	14c+6c	1.35	*14.8
Sheep Creek	16c+4c	.80	*25.0
Sherritt Gordon	10c	.80¼	..
Sigma Mines	60c	4.25	..
Silbak Premier	16c	.60	..
Siscoe	‡5c	.32	..
Sturgeon River	2c	.09½	..
Sudbury Basin	2½c	1.25	..
Sullivan Cons.	‡6c	.50	..
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.25	16
Teck-Hughes	40c	1.50	27
Toburn	12c+2c	.60	*23.3
Upper Canada	‡5½	.66	..
Ventures	20c	3.20	..
Waite Amulet	40c	3.85	..
Wendigo	3c	.14	..
Wright Harg.	40c	1.95	20.5

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	$1.75	Oct. 1	Sept. 15
Aluminum, c.	$2	Sept. 5	Aug. 15
Asbestos Corp.	20c	Sept. 30	Sept. 1
Do., extra	10c	Sept. 30	Sept. 1
Assoc. Brew.	25c	Sept. 30	Sept. 10
Do., pref.	$1.75	Oct. 1	Sept. 10
Amer. Cyan, A, B	15c	Oct. 1	Sept. 12
Do., pref.	†12½c	Oct. 1	Sept. 12
B.C. Power A	50c	Oct. 15	Sept. 30
Bell Telephone	$2	Oct. 15	Sept. 23
Bright, T. G. pfd.	$1.50	Sept. 15	Aug. 31
Belding Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Berens River	3c	Sept. 25	Aug. 29
Barber Ellis	12½c	Sept. 15	Aug. 31
Bruck Silk	10c	Sept. 15	Aug. 29
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Beattie Gold	3c	Sept. 9	Aug. 12
Brazilian Tr., pfd.	$1.50	Oct. 1	Sept. 15
Brit. Amer. Oil	25c	Oct. 1	Sept. 10
Calgary & Edm.	▪5c	Oct. 15	Sept. 12
Cariboo Gold	▪3c	Oct. 1	Sept. 4
Crown Trust	$1	Sept. 30	Sept. 23
Can. Malting	50c	Sept. 15	Aug. 31
Can. Canners	12½c	Oct. 1	Sept. 15
Do., 1st pref.	25+5c	Oct. 1	Sept. 15
Do., 2nd pref.	15+5c	Oct. 1	Sept. 15
Can. Gen. Elec.	$2	Oct. 1	Sept. 15
Can. Tube & Stl. p.	$1.75	Oct. 15	Oct. 8
Can. Fdy. & Forg.	37½c	Sept. 15	Sept. 1
Can. Cottons	$1	Oct. 1	Sept. 5
Do., pref.	$1.50	Oct. 1	Sept. 5
Can. Wire & C., A	$1	Sept. 15	Aug. 31
Do., B	50c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Can. Packers	$1	Oct. 1	Sept. 15
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Central Can. Loan	$2	Oct. 1	Sept. 19
Cent. Pat. Mines	3c	Sept. 30	Sept. 15
Confederation Life	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. For. Invest., pf.	▪$2	Oct. 1	Aug. 15
Can. Wire Box	37½c	Oct. 1	Sept. 15
Do., arrears	12½c	Oct. 1	Sept. 15
Can. Crushed Stone	10c	Sept. 15	Sept. 1
Can. Nor. Power	▪15c	Oct. 26	Sept. 19
Do., pref.	▪$1.75	Oct. 15	Sept. 19
Coniaurum M.	3c	Sept. 9	Aug. 14
Can. Breweries, p.	85c	Oct. 1	Sept. 15
Canada Dry	†15c	Sept. 22	Sept. 10
Candn. Oil, p.	$2	Oct. 1	Sept. 18
Can. Indus. A, B	$1.50	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Cement, pfd.	$1.25	Sept. 21	Aug. 31
Canada Cycle	30c	Sept. 30	Sept. 15
Do., pref.	$1.25	Sept. 30	Sept. 15
Can. Westinghouse	▪50c	Oct. 1	Sept. 16
David & Frere, A	25c	Sept. 30	Sept. 15
Dom. Env. pfd.	$1.75	Sept. 1	Aug. 20
Dom. Textile	$1.25	Oct. 1	Sept. 5
Do., pref.	$1.75	Oct. 15	Sept. 15
deHavilland, pfd.	$1.75	Sept. 15	Aug. 31
Do., arrears	$1.75	Sept. 15	Aug. 31
Dominion Tar, pf.	$1.37½	Nov. 2	Oct. 13
Dome Mines	▪40c	Oct. 20	Sept. 30
Distillers Seag.	55½c	Sept. 15	Aug. 28
Do., pref.	†$1.25	Nov. 2	Oct. 15
Eng. Electric A.	62c	Sept. 15	Aug. 31
Economic Invest.	62½c	Oct. 1	Sept. 21
Foundation Co.	35c	Oct. 17	Sept. 30
Ford Motor A, B	25c	Sept. 19	Aug. 29
Gt. Lakes Pap. A B p.	25c	Oct. 1	Sep. 19
Gatineau Pwr.	15c	Sep. 30	Sep. 1
Do., 5% pref.	$1.25	Oct. 1	Sep. 1
Do., 5½% pref.	$1.37	Oct. 1	Sep. 1
Greening Wire	15c	Oct. 1	Sept. 15
Huron & E. Mtge.	1%	Oct. 1	Spet. 15
Ham. Cotton	10c	Oct. 1	Sept. 15
Do., pref.	50c	Oct. 1	Sept. 15
Hinde & Dauch	25c	Oct. 1	Sep. 15
Hollinger Cons.	5c	Sep. 9	Aug. 26
Honey Dew	50c	Oct. 1	Sept. 15
Ham. Un. Theat., p.	$1.25	Sep. 30	Sep. 15
Humberstone Shoe	50c	Oct. 7	Sept. 15
Inter. Nickel, c.	†50c	Sept. 30	Aug. 31
Imp. Tobacco	10c	Sept. 30	Sept. 11
Do., pref.	3%	Sept. 30	Sept. 11
Lava Cap Gold	†2c	Sept. 30	Sept. 19
Langley's, pfd.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Lake Shore M.	20c	Sept. 15	Sept. 1
Lamaque Gold	10c	Oct. 1	Sept. 10
Do., bonus	15c	Oct. 1	Sept. 10
Landed Banking	$1	Oct. 1	Sept. 15
Louisiana Land, c.	†10c	Sept. 15	Sept. 1
Mod. Containers	30c	Oct. 1	Sept. 20
Do., pref.	$1.37½	Oct. 1	Sept. 20
MacKinnon Stl., p.	$1.25	Sep. 15	Aug. 31
Macassa Mines	8c	Sept. 15	Aug. 31
Massey-Harris, p.	62½c	Sept. 15	Sept. 1
McKenzie Red L.	3c	Sept. 15	Aug. 31
Montreal Loan	31¼c	Sept. 15	Aug. 31
Montreal Cottons	$1	Sep. 15	Aug. 31
Do., pref.	$1.75	Sep. 15	Aug. 31
Nat. Grocers, pref.	37c	Oct. 1	Sept. 15
Noranda Mines	$1	Sept. 15	Aug. 20
North Star Oil, p.	8¾c	Oct. 1	Sep. 1
Nat. Biscuit c.	†30c	Oct. 15	Sept. 11
Nat. Breweries	50c	Oct. 1	Sept. 10
Do., pre.	44c	Oct. 1	Sept. 10
Nat. Steel Car	50c	Oct. 15	Sept. 30
N.S.L. & Pr ord.	$1.50	Oct. 1	Sept. 15
Ont. Loan & Deb.	$1.25	Oct. 1	Sept. 15
Ottawa Elec Rly.	50c	Oct. 1	Sept. 10
Ottawa L. & Pr.	15c	Oct. 1	Aug. 28
Do., pref.	$1.25	Oct. 1	Aug. 26
Paton Mfg.	$1	Sep. 15	Aug. 31
Do., pref.	$1.75	Sep. 15	Aug. 31
Perron Gold	4c	Sept. 21	Aug. 29
Para Pictures pf.	†$1.50	Oct. 1	Sept. 17
Do., com.	†25c	Oct. 1	Sept. 15
Paymaster Cons.	▪1c	Jan. 15 '43	Dec. 31
Preston E. Dome	5c	Oct. 15	Sept. 24
Price Bros., pref.	$1.37½	Oct. 1	Sept. 19
Page Hersey	$1.25	Oct. 1	Sep. 15
Pioneer Gold	5c	Oct. 1	Aug. 31
Power Corp. pfd.	▪$1.50	Oct. 15	Sept. 19
Do., 2nd pref.	▪75c	Oct. 15	Sept. 19
R. Silk Mills A	50c	Oct. 1	Sept. 15
Remington Rand, c.	†20c	Oct. 1	Sept. 10
Do., pfd.	†$1.12½	Oct. 1	Sept. 10
Regent Knit., c.	25c	Sept. 15	Aug. 31
Reliance Gr. pf.	$1.62½	Sept. 15	Aug. 31
Russell Indust.	20c	Sep. 30	Sep. 15
Do., pref.	$1.75	Sep. 30	Sep. 15
Stand. Fuel, p.	$1	Oct. 1	Sep. 15

Rain Dampens Early Crop Hopes

Prolonged Wet Weather May Add to Storage Problems

From Our Own Correspondent

WINNIPEG. — Wet weather, which produced the wonderful stand of grain in western Canada this year, has continued longer than was needful for the crop. As a result, harvesting and threshing have been delayed, and so also has the ripening of some of the late grain.

Manitoba has managed to get a considerable percentage of its crop cut, with comparatively little threshing done, while operations are farther behind in the other two provinces. Some damage has been done in the flattening of crops, and a slight amount of injury from frost has occurred. On the whole, however, inconvenience to farmers, and enforced idleness at a time when labor hours can badly be spared, have been the principal effects, to which must be added increased apprehension as to the ability of some of the late grain to ripen.

How Big is The Crop?

An incidental effect of the delay has been to prolong the uncertainty as to just how big the crop actually is. Not enough threshing has been done to give a good check on estimates of yields made earlier.

The present tendency is perhaps to believe that barley will turn out rather better than was indicated by first estimates, and wheat perhaps not quite so well, even although the wheat yield is still believed to be the highest per acre yet recorded, giving a total well over 500 million bushels. A lot more threshing returns will have to come in before there is general agreement on the result.

Grain in the stook will stand a lot of wet weather without damage. Grain caught on the ground, either in sheaves, or laid in rows by a swather, preparatory to combine threshing, is much more susceptible to injury. Cut grain which has been rained upon should be allowed to dry thoroughly in the field before it is threshed.

It will dry in the field, as soon as a period of dry weather comes. If, however, it is threshed before that drying takes place, it will retain a high moisture content and is in danger of being graded tough or damp. If a considerable portion of the crop is threshed out as tough or damp it will greatly increase the problem of housing and handling it. With elevator space restricted and movement of wheat to terminals slowed up, elevators will probably be unable to handle damp grain at all, and tough grain, which contains less moisture, but still too much, can only be handled to a limited extent.

Only dry grain will keep satisfactorily, and the temporary bins built to supplement country elevator storage cannot be used for anything except dry grain. If excess moisture increases the number of different grades of grain to be handled, with a different bin for each, the storage capacity of an elevator is cut down.

Little Rust Evident

Lack of damage to the wheat crop from stem rust appears to be convincing proof that the rust resistant varieties introduced during recent years, of which Thatcher is the chief, are standing up well. With such weather as has occurred this year, it would have been inevitable that a large part of the wheat crop of Manitoba would be wiped out had Marquis wheat continued to be grown extensively in the areas that used to be most susceptible to rust.

So far, also, the damage from saw-fly in southwestern Saskatchewan and southern Alberta appears to be less than was earlier indicated by investigations by entomologists as to the extent of infestation. Until the crop is actually cut no one can be sure, but it would appear that wet weather has inhibited the development of eggs and larvae in the stems of wheat.

The fact that grain has been so far delivered to elevators in a mere trickle has been reflected in lack of market activity. On the selling side offerings of grain have been small. But prospective purchasers have also refrained from making offers, hesitating to commit themselves until the market effects of a heavy flow of grain can be gauged. Wheat has remained at the pegged price of 90 cents a bushel for the October future. Canadian mills have made some limited purchases at that figure, but observers conclude that the mills are in no rush to stock up. They cannot get wheat any cheaper, under the regulations in force, and so far there is no evidence of apprehension that they may have to pay more. It is probably natural for them to delay commitments until a better idea can be obtained as to the probable grading of this year's crop, and the possible variations in milling qualities of different grades as compared with those of the previous year.

A certain amount of business with United States customers is taking place in coarse grains, most important of which so far has been in oats destined for New England states. Undoubtedly a large number of possible customers in the United States are considering the prospects for making use of Canadian oats and barley, but as such business is new to them they are feeling their way somewhat cautiously. So far there have been sufficient bids in the market to keep prices slightly above the levels guaranteed by the government of Canada. At those levels, the Wheat Board has announced, it has firm bids in the market, and is prepared to take such grain as is offered to it.

GRAIN HEAD

James M. Gilchrist, Winnipeg grain man, who has been elected president of the North-West Line Elevators Association.

Lake Sulphite Pays Creditors

Secured Creditors to Get 28%; Unsecured Only 8.56% of Claims

From Our Own Correspondent

MONTREAL.—Geo. S. Currie, receiver and manager, has been authorized to make a first and final distribution to the secured and unsecured creditors of the bankrupt Lake Sulphite Pulp Co.

A distribution of $27.97 will be made for each $100 of debentures held, while a cash dividend of 8.56% will be paid on the claims of the unsecured creditors.

During the period from Feb. 7, 1938 to July 28, 1942, the receiver and manager received $1,828,802, including $500,000 of Brompton Pulp & Paper Co. general mortgage debenture stock. The disbursements authorized include $101,448 for receivership and liquidation; $475,000 of Brompton bonds for the secured creditors and $50,000 in cash for the unsecured creditors.

Of the 51 secured creditors the major claims are as follows: John Stadler, $57,323 and $125,000; Hanson Bros., $200,000; McLeod, Young, Weir & Co. $150,000 and the Royal Bank of Canada, $250,000.

Out of more than 420 unsecured creditors, the highest individual claim was John Stadler's for $99,230 and the next highest Alexander Fleck, Ltd., Ottawa, for $29,434. As mentioned the unsecured creditors receive only 8.56 cents on the dollar for their claims.

Minneapolis, St. Paul & Sault Ste. Marie Railway reports net operating income for July at $739,558, compared with $898,272 in the like 1941 period. Net for seven months was $3,209,074, against $25,552,089. Gross was $3,785,411 in July up from $3,713,162 from a year ago, and for seven months gross was $22,613,573, against $19,156,243.

King Edward Hotel.—The Ripley-Cardy interests have not yet taken over control of the property. For the time being, the hotel is under lease until the court hands down its decision giving clearance of title.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.02	$9.93	$8.82
Hogs	16.00	16.00	14.65
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1973	.1943	.1742
Sugar, raw, lb.	*.0374	.0374	.0370
Wheat, Man. (bu.)	.89⅜	.89	.71⅝
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	98.9	98.9	90.0
Wood, Gundy	77.7	77.8	74.4
Dow Jones (fut.)	84.77	84.36	79.59
Fishers	107.4	107.2	97.7
Monthly Indices			
Canada (D.B.S.):			
Retail (July)†	117.9	116.7	111.9
W'sale (July)	96.1	95.8	91.3
U. S. (June)	98.6	98.8	87.1
Gt. Brit. (June)	159.8	160.7	152.4

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Dividends Declared (Cont'd)

Sheep Creek	4+1c	Oct. 15	Sept. 30
Stedman Bros.	15+30c	Oct. 1	Sept. 19
Do., pref.	75c	Oct. 1	Sept. 19
Siscoe Gold	1½c	Sept. 15	Aug. 12
Sylvanite Gold	5c	Sept. 30	Aug. 14
Sunset Oils	1½c	Sept. 15	Sept. 1
So. Amer. Gold	†10c	Sep. 14	Aug. 29
Howard Smith, p.	$1.50	Oct. 15	Sept. 30
Sec. Can. Int. Inv, p.	10c	Sept. 1	Aug. 15
So. Can. Power pf.	$1.50	Oct. 15	Sept. 19
Simon & Sons	15c	Sept. 30	Sept. 16
Do., pref.	$1.75	Sept. 30	Sept. 16
Tamblyn G.	20c	Oct. 1	Sept. 15
Do., pref.	62½c	Oct. 1	Sept. 15
Teck Hughes	10c	Oct. 1	Sept. 10
Toronto Elev., p.	65⅝c	Sept. 5	Aug. 25
Tor. Gen. Trusts	$1	Oct. 1	Sept. 12
United Fuel, pf. A	75c	Oct. 1	Sept. 19
Un. Grain Growers, A	$1	Sept. 15	July 31
Do., B	25c	Sept. 15	July 31
Ventures	▪5c	Sept. 25	Aug. 17
H. Walker-G. & W., c.	$1	Sep. 15	Aug. 21
Do., pfd.	25c	Sep. 15	Aug. 21
Waite Amulet	10c	Sept. 10	Aug. 18
Weston, George, c.	20c	Oct. 1	Sep. 12
Wright-Hargreaves	10c	Oct. 1	Aug. 26
Wilsil	25c	Oct. 1	Sept. 15
Do.	25c	Jan. 2	Dec. 15
Willson Stat. pf.	$1.25	Oct. 15	Sept. 30

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.

Dividends Deferred

Union Gas ..... Sept. 15, 1942

The Week in Oils

From Our Own Correspondent

CALGARY.—The search for new sources of oil in Canada took another large step forward with announcement of the first test of the Devonian limestone for Turner Valley, and other announcements for programmes involving upward of a dozen wells on the central Alberta plains.

Most important of the new ventures, because of its tremendous potential effect on every leaseholder, shareholder or royalty holder in the Turner Valley field, is the Devonian limestone test to be drilled in this field. The quarter of a million dollar venture is backed by 11 companies, and is to be carried to 10,000 ft. or more.

Ever since improvement of drilling methods and equipment made two to three mile-deep drilling practicable, and the Madison limestone on the Turner Valley west flank was found to be a rich source of crude oil, there has been talk of drilling a "test well" down through the Madison, through the underlying Banff shale, and into another great potential oil source, the Devonian limestone, a source bed for oil which is believed to form the core at great depth of the Turner Valley structure.

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Agreements All Signed

A few months ago the proposal went beyond the "talk" stage, a group of companies with substantial lease interests got together to discuss facts and figures, in an effort to work out a jointly financed Devonian test programme. During the past few days the participating companies—11 of them—signed the agreements which will turn the talk into action. The location selected in L.S.D. 2 25-19-3w5, on the central west flank of the structure—a site previously picked for Royalite No. 66. The well-name is being revised to Devonian Test No. 1.

The 11 participating companies are subscribing a total of quarter of a million dollars—a sum believed sufficient to carry the well to around 10,000 ft. The backers, and the amounts being subscribed by each, are as follows: Royalite Oil Co., $135,000; Anglo-Canadian Oil Co., $35,000; Home Oil Co., $25,000; Calgary & Edmonton Corp., $25,000; C.P.R., $10,000; Okalta Oils, $5,000; Calmont Oils, $5,000; Royal Canadian Oils, $2,500; Davies Petroleums, $2,500; Chinook Oils, $2,500; Union Drilling Co., $2,500. Any production obtaining is to be shared pro rata by the participating companies. It is understood that each company has made, or is making, application to the Dominion Government for income tax concessions covering funds expended on the test.

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On Cost Plus Basis

The Devonian test will be drilled on a "cost plus" contract basis by Drilling Contractors, subsidiary of Anglo-Canadian. Location has already been cleared, and cellar is expected to be started in the very near future. The heavy duty rotary last used at the Major No. 12 well in the north extension will likely be installed at the Devonian site.

The location is quarter of a mile east, and apparently about 200 ft. higher structurally than the Argus Royalties No. 2 producer, which topped the Madison lime at 6,909 ft. and completed at 7,384 ft. Devonian No. 1 will be drilled through the productive zones tapped by Argus, through an estimated total of 1,500 ft. of Madison, around 700 ft. of Banff shale, and into the underlying Devonian. Should production not be obtained in the Devonian, the hole can be plugged back to the Madison oil horizons. It was decided to make the initial Devonian test a complete new whole, rather than deepen a Madison producer, so as to ensure a more adequate test of the lower limestone. A larger hole than usual will be drilled, and the hole carried into the Devonian will compare in diameter with that now carried into the Madison at Madison limestone tests.

• • •

Three General Pete Wells

With an initial programme calling for the drilling of three wells, General Petroleums (Kinsella) Ltd. reports completion of financing arrangements for development of the company's large holdings in Kinsella area, on the central Alberta plains.

Initial well site has been staked in L.S.D. 16 29-44-8w4. Tentative locations for Nos. 2 and 3 wells have also been staked, but these of course are subject to revision should results obtained at No. 1 warrant. Drilling contract has been let to General Petroleums for the three wells, total turnkey cost being $75,000, covering drilling to 2,600 ft. or 10 ft. into the Madison lime 500 ft. of coring per well, two drill-stem tests per well, one electro-log per well, etc. General Pete's light truck-mounted rotary rig—now in use on the Northwest Co. four-well programme in the Claymore, Manville and Islay areas—will be used for the Kinsella programme. This rig is expected to be available in five to six weeks.

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Financed by Royalties

The three-well programme is being financed through the issue of 50 net preferred royalties and 200,000 shares in General Petroleum (Kinsella) Ltd. Each royalty, preferred $2,100, covers the three wells and is accompanied by 4,000 shares in the company. General Pete. (Kinsella) has acquired from General Pete. Kinsella Syndicate the rights to 25,000 acres in the Kinsella area, under reservation from the crown and the C.P.R., the acreage to be selected following completion of the first three wells. (Total holdings of the Syndicate are 26,080 acres). The Reservation is subject to 3½% gross royalty, in addition to the crown or C.P.R. royalty.

The syndicate receives from the initial financing $9,000, for which it bears all costs of acquiring the reservation, a 160-acre lease, and first rental for each of the three drill-sites, geological expenses, and incorporation and legal fees in connection with the formation of General Pete. (Kinsella) Ltd. It also receives 299,800 ordinary shares and 200 management shares in General Pete. (Kinsella). The company is capitalized at 999,800 ordinary shares and 200 management shares, of which 500,000 ordinary shares will remain in the treasury after the present public issue and distribution to the syndicate.

Wheat Prices

Winnipeg Grain Futures

Week to Aug. 31, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Aug. 31
		Wheat			
.90	.90	Oct.	.90	.90	.90
		Oats			
.47½	.45¾	Oct.	.47¾	.46¼	.47½
.46⅞	.45⅝	Dec.	.45⅞	.45⅝	.45¾
		Barley			
.61⅛	.60¼	Oct.	.60⅜	.60¼	.60⅜
.61	.60¼	Dec.	.60⅝	.60⅜	.60⅝
		Rye			
.56	.53¾	Oct.	.54⅛	.53¾	.53⅝
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]

Cash Quotations

	For Week Aug. 31 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	.89⅝	.89⅛	.89	.88⅝
2 Nor.	.86¼	.86	.86⅝	.85¾
3 Nor.	.83⅝	.83⅛	.83⅞	.83⅛
4 Nor.	.81¾	.81¾	.82	.81¾
5 Wheat	.79	.79	.79	.79
6 Wheat	.76	.76	.76	.76
Feed	.73	.73	.73	.73
Oats:				
2 C. W.	.47⅝	.45⅞	.46¼	.45⅛
3 C. W.	.46⅝	.44⅜	.45⅛	.44⅜
Barley:				
1 Feed	.56⅛	.56	.56¾	.56
2 Feed	.55⅜	.54⅜	.55⅜	.54⅜
Rye:				
2 C. W.	[illegible]	[illegible]	[illegible]	[illegible]

Quebec Pulp Plan Studied

Negotiations Under Way May Lead to Reopening of Plant

From Our Own Correspondent

MONTREAL.—After many years of inactivity, negotiations are now going on to place Quebec Pulp & Paper Corp. on an operational basis. This company, which has a large groundwood mill at Chicoutimi, is jointly controlled by Price Bros. and Consolidated Paper. In addition, there is a public investment interest in the preferred stock on which no dividends have been paid for many years. Moreover, the company is heavily indebted to the Provincial Government.

It is understood the provincial government has requested Consolidated Paper and Price Bros. to turn over such shares to the government, which is a creditor of the corporation, in the amount of about $1.8 millions.

Defer Winding Up

Pending the outcome of the negotiations on which the provincial government, the two common shareholders, and Aluminum Co. are now engaged, it is stated the preferred shareholders protective committee has again agreed to defer any winding up proceedings against the corporation.

Following its formation early this month, the committee served notice on the corporation of intention to institute winding up proceedings, but acceded to a request for delay until Aug. 15th. On the expiration of that delay, request for a further delay was made and this request was supported by the Minister of Lands and Forests. This was granted but it is understood the committee's council has been kept informed of the progress of the negotiations.

Elevator Association Elects New President

James M. Gilchrist, Winnipeg grain man, was elected president of the North-West Line Elevators Association at its 38th annual meeting, held in Winnipeg recently. The association is composed of owners and operators of 3,400 country grain elevators in the Prairie Provinces and terminal elevators at the head of the Great Lakes and on the Pacific Coast. The elevators have a storage capacity of 98.2 million bushels.

Other officers elected were R. R. Emerson and C. C. Head, vice-presidents, and the following directors: C. E. Austin, W. J. Dowler, W. Hastings, C. E. Hayles, S. D. MacEachern, C. G. Murphy, W. McG. Rait, A. C. Reid, V. W. Tryon.

J. G. Fraser was appointed secretary; James Seaton assistant secretary; Dr. K. W. Neatby director of the agricultural department, and Cecil Lamont executive vice-president.

East Kootenay Power Net Off for July

MONTREAL. — Increasing expenses more than offset the gain in gross revenue reported by East Kootenay Power Co. for July. During the month, gross revenue of $65,303 was up $5,550 over the same month last year. Operating expenses advanced $7,837, leaving net earnings at $38,847. This contrasted with $41,134 in July, 1941.

PARRISH & HEIMBECKER LIMITED
Incorporated 1909
Grain Receivers
Shippers and Exporters
HEAD OFFICE: WINNIPEG
BRANCH OFFICES:
MONTREAL TORONTO PORT ARTHUR
CALGARY EDMONTON
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Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
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DIVIDEND NOTICES

Central Patricia Gold Mines, Limited

DIVIDEND NO. 25

An interim dividend of 3c per share, Canadian Funds, has been declared by the Directors on the capital stock of the company, payable the 30th day of September, 1942, to shareholders of record at the close of business on the 15th day of September, 1942.

Dated at Toronto this 1st day of September, 1942.

By Order of the Board,

ALAN COCKERAM,
Secretary-Treasurer.

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

THURSDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September 1942.

By order of the Board.

Walter F. Watkins.
Secretary.

Toronto, August 19th, 1942.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared this day the following dividend:

6% Cumulative Participating Preferred Stock

No. 91, quarterly, $1.50 per share, payable October 15th, 1942, to holders of record at the close of business September 19th, 1942.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, August 28th, 1942.

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of thirty-five (35c) cents per share for the Quarter ending September 30, 1942, has been declared on the No Par Value Common Stock of the Company, payable October 17, 1942, to shareholders of record at the close of business on September 30, 1942.

By Order of the Board.

H. C. LINK,
Assistant Secretary.

Montreal, August 27, 1942.

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

Notice is hereby given that at a meeting of the Board of Directors of this Company, held August 26th, 1942, a dividend of fifty cents (50c) per share was declared upon the outstanding Capital Stock of the Company, payable October 1st, 1942, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government, to Shareholders of record September 16th, 1942.

Cheques will be mailed to Shareholders.

By order of the Board,

W. E. SPRAGUE,
Secretary.

Hamilton, Canada, August 31st, 1942.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of Two Dollars per share has been declared payable on the 15th day of October, 1942, to shareholders of record at the close of business on the 23rd of September, 1942.

G. H. Rogers,
Acting Secretary.

Montreal, August 26, 1942.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE is hereby given that an Interim Dividend (No. 149) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Wednesday, the 30th day of September, 1942, to shareholders of record at the close of business on Friday, the 11th day of September, 1942.

A Semi-Annual Dividend (No. 61) of three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Wednesday, the 30th day of September, 1942, to shareholders of record at the close of business on Friday, the 11th day of September, 1942.

By Order of the Board,

A. L. ROBERTSON,
Secretary.

Montreal, P.Q.

DIVIDEND NOTICES

The Hamilton Cotton Co. Ltd.

Dividend Notice

Notice is hereby given that the regular Quarterly Dividend of 50 cents per share on the outstanding Preferred Shares of the Company and a Dividend of 10 cents per share on the outstanding Common Shares of the Company have been declared for payment October 1st, 1942 to Shareholders of record at the close of business September 15th, 1942.

By Order of the Board.

E. GLOVER HOWE,
Secretary.

Dated at Hamilton, Ontario, August 26th, 1942.

Canadian General Electric Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of two dollars per share for the quarter ending September 30, 1942 has been declared on the Common Stock of the Company.

That the above dividend is payable on October 1, 1942, to shareholders of record at the close of business on September 15, 1942.

By Order of the Board.

W. H. NESBITT
Secretary.

Toronto, August 26, 1942.

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared payable on October 15th, 1942, to shareholders of record at the close of business, September 30th, 1942.

By order of the Board.

CHAS. W. ADAM,
Secretary.

Hamilton, Canada.

DIVIDEND NOTICES

DIVIDEND NOTICE

The Cariboo Gold Quartz Mining Company Limited (Non-Personal Liability)

DIVIDEND NO. 23

NOTICE IS HEREBY GIVEN that a quarterly dividend of three cents (3c) per share, on the paid up capital stock of the Company, will be paid October 1, 1942, to shareholders of record September 4, 1942, subject to the approval of the Foreign Exchange Control Board.

The Books of the Company will be closed for the transfer of shares from September 5, 1942, to September 8, 1942, inclusive.

By Order of the Board.

J. R. V. DUNLOP,
Secretary-Treasurer.

Vancouver, B.C., August 26, 1942.

DIVIDEND NOTICE

Canada Malting Co. Limited

NOTICE is hereby given that a quarterly dividend of fifty cents (50c) per share has been declared on the no par value stock of the Company. The above dividend is payable September 15th, 1942, to Shareholders of record at the close of business on the 31st day of August, 1942. The books of the Company are to be closed from September 1st, 1942 to September 14th, 1942, inclusive.

Share Warrant Holders will present Coupon Serial No. 59 to the Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on or after September 15th, 1942.

By order of the Board.

JOHN P. HEIGHTON,
Secretary.

Dated at Montreal August 26, 1942.

Dominion Draws Up Plans For Molybdenum Custom Mill

If negotiations now under way reach a successful conclusion, the Dominion Government will take over and operate on a custom basis the molybdenum mill of Zenith Molybdenite Corp., Renfrew area, Ont., The Financial Post is informed. This mill has a rated capacity of 100 tons daily.

Completion of negotiations now in an advanced stage will result in complete rehabilitation of the mill, it is stated. The Zenith company would receive a small royalty on each ton of ore treated as rental while a smaller royalty would be paid for each ton of any ore taken out of the Zenith mine.

See Numerous Producers

Ottawa authorities are reported hoping that 10 or 12 and perhaps as high as a score of properties would contribute mill feed from the Renfrew district in which the mill is located. It is thought that some ore might be secured from these surrounding properties while a smaller volume of indeterminate grade may be secured from the Zenith mine.

From what The Post learns, it is planned to pay approximately $1 a pound for MoS_2 (molybdenum sulphide) contained in concentrates produced from treating molybdenite ore. This is roughly double the price paid for MoS_2 in concentrates a year or so ago.

The new and higher price is regarded as necessary if any volume of production is to be turned out. In the last war, the price of molybdenum went much higher than even this. At the price of $1 a pound for MoS_2 in concentrates, molybdenite ore grading 1% will be worth in the neighborhood of $20 a ton. Higher grade ore might be shipped a considerable distance at this price for treatment.

Renfrew a Likely Area

The Renfrew area turned out a considerable amount of molybdenum in the last war and appears to be one of the best, if not the best, Canadian bet for any substantial production now. At the outset of this war, Climax Molybdenum, the great United States producer, could turn out all needed supplies, but the situation has changed now. Canada has been unable to secure nearly the amount of this steel-hardening element desired and hence the latest steps to augment production.

Mount St. Patrick Syndicate in the Renfrew area shipped a first car of molybdenite ore to the Quyon mill in Quebec a few weeks ago and is expected to ship to the Zenith mill if the deal goes through as expected. The Mount St. Patrick management may operate a number of properties in the neighborhood, it is indicated, shipping the output to Zenith.

Some development will be necessary to determine what molybdenite ore can be taken from the Zenith molybdenite mine. In former operations, a shaft was put down to a depth of 200 ft. with levels established at 95 and 175 ft. depth. Some of the best values in past drilling are reported to have been secured under a swamp and remain to be explored underground.

Tungsten Mill Too

While plans appear well in hand for rehabilitation of the old Zenith mill by the Dominion Government, there are also unconfirmed reports to the effect the government will establish a tungsten-producing enterprise at the old Argonaut mine owned by Beaverhouse Lake Gold Mines. The mine is stated to have a considerable tonnage of scheelite ore exposed to be treated on erection of a concentrating plant put up at government expense. A concentrator established at this property could also handle ores from the Kirkland Lake area, only a few miles distant.

The Argonaut mine received considerable development a few years ago and enough gold ore was opened up at that time in old workings to justify a small gold mill installation. If a tungsten operation is established, it is quite possible returns from sale of gold might defray a large part of operating expenses.

Gold Frontier Adds Base Metal

New Noble Five Mine Equipped With 100-ton Mill

From Our Own Correspondent

VANCOUVER. — Gold Frontier Mines, reported to be now operating in the Red Lake district of Ontario, is said to have acquired the holdings of Noble Five Mines, consisting of 11 claims near Sandon in British Columbia's Kootenay district.

Noble Five, a silver-lead-zinc property, was active in the base metal boom of a dozen years ago. It has a 100-ton mill reported to be in good condition and capable of going into immediate production.

The company produced about $1 million in ore, all from the No. 8 level, where three ore bodies were mined.

Gold Frontier until recently has been opening a gold prospect in the Red Lake area.

Amic Syndicate Plans Mining

With development carried on the past two months indicating mica in several sections, Amic Syndicate is now reported preparing for production. One ton of high grade white mica has already been taken out as a test and is stated to have been sold at excellent prices.

Financing is stated completed for bringing the property into production.

The best mica-bearing dyke so far discovered is 80 ft. long by 6 ft. wide with total length not yet determined. It is planned to use a bulldozer to expedite stripping of overburden and to determine full length of the main mica showing.

As a strategic mineral operation, the syndicate will have exemption from excess profits tax.

Mining INVESTMENTS

Manitoba has been turning in some interesting strategic mineral discoveries this past month. From time to time finds of tungsten have been made and now chromium and molybdenum are sharing the spotlight.

Hon. J. S. McDiarmid, Manitoba Minister of Mines, reports discoveries of chromite in the Bird River area, 15 miles northeast of Lac du Bonnet, which may prove the most important in the province's history. Work is still in the early stages, but preliminary reports are called encouraging. Development of one main showing in the Lac du Bonnet is to be undertaken by Hudson Bay Exploration & Development Co. a subsidiary of Hudson Bay Mining & Smelting Co.

God's Lake Gold Mines, one of Manitoba's pioneer gold producers, has also found chromite in the Bird River area of Manitoba, and is testing claims staked there. A contract for diamond drilling has already been made. Gunnar Gold, Cyril Knight Exploration, and Central Manitoba are others reported interested in the chromite showings.

San Antonio has taken on the job of testing a molybdenite showing not far from its own mine. Few details on the property are available as yet.

* * *

Dominion Magnesium Co. is now working on a 24-hour-a-day production basis although full capacity has not been reached. It is now thought that capacity of the plant, located at Haley's Station near Renfrew, Ont., may turn out to be somewhat greater than previously estimated.

Dominion Magnesium Co. is being operated for the government on a "no-profit basis" but can become a profit-making organization when conditions return to more nearly normal after the war.

Research work by Dr. Lloyd Pidgeon for Dominion Magnesium was financed by a number of Canadian mining companies—Moneta Porcupine, God's Lake, Ventures, Sudbury Basin and Bobjo Mines.

* * *

An information library has been opened up by the Ontario Prospectors & Developers Association at Room 428, 67 Yonge St., Toronto. The object is to provide a place where prospectors can get first-hand information on minerals and possibilities of different areas through government records.

A big library is now being built up and specimens of all important strategic minerals are being assembled.

Eight cases of publications have so far been received from the Department of Mines at Ottawa and the various provinces have also promised to make contributions.

* * *

Freezing of workers in their present occupations is expected to stop the shift of miners from base metal producers to other war industries, a trend which has been causing a great deal of concern in recent weeks.

The new regulations will also result in gold mines retaining their present staffs for the time being at least, although it is still expected that some workers will be taken from the gold mines to fill the deficiency in the ranks of the base metal miners. However, gold miners are not desired by some base metal mines as much as "green help." Freezing of workers in their present jobs will mean less shifting around of workers to secure higher wages and a resulting decrease in the tendency to "break up" the ceiling on wages. Consequently, freezing of workers in their jobs should assist in holding down costs.

* * *

Use of unskilled labor in mining operations is bringing a demand from mine managers for a new simplicity and ruggedness for mining equipment.

Says one mine superintendent, "We've got to train a lot of fellows for mining work especially for maintenance. Anything the equipment manufacturers can do to help will be appreciated — either in their advertising or otherwise. Also, if they've got substitute materials, let us know about them and how to handle them when we get them."

Charles Gurd & Co.'s sales in the first 16 weeks of the new current fiscal year were well up with the same period of last year. Net profits, after provision for income taxes, also have shown a gain. A number of lines, formerly produced, which consumed a large quantity of sugar, have been discontinued. They have been replaced by various food products which are finding a ready market.

Gold Eagle Plans To Distribute

Special Meeting Decides to Liquidate — Change Management

At a special meeting of shareholders of Gold Eagle Gold Mines held in Toronto late last week, it was decided that practically all assets except the Red Lake property should be disposed of with proceeds to be distributed pro rata to shareholders.

A new board of directors was elected. Only G. E. Farlinger of the old board appears on the new slate, which is as follows: S. J. Zacks, president, J. Bradley Streit, vice-president, and G. E. Farlinger, E. H. Pooler and J. Kinross, directors. The previous board was: W. F. Stafford, president, E. K. Fockler, G. E. Farlinger, R. Halladay and William Kelly.

May Pay 15 Cents

From the financial statement forwarded to shareholders, something between 9 and 10 cents a share is already available for distribution in the form of net liquid assets on hand. When remaining equipment and other assets are liquidated, it is estimated something in the neighborhood of 15 cents a share will be available for payment.

It is possible a new company will be formed to take over the Gold Eagle property with its shares distributed to Gold Eagle shareholders along with the cash payment. This would allow the surrender of the Gold Eagle charter.

Possibilities of the Gold Eagle property came up for discussion at the meeting. E. K. Fockler, consulting geologist, and a former director, did not agree with some of his old fellow directors that further exploration was not desirable. He had recommended that $15,000 be spent for exploration of the McKenzie Red Lake shear zone extension into Gold Eagle ground with further expenditure if results of this work should encourage.

Two plans had been submitted for shareholders' approval at the annual meeting. One plan had called for distribution of assets and the second for retention of property, equipment and current assets to the end of the war. A total of 1,257,065 shares were voted in favor of the former plan and 372,384 shares in favor of the latter. Shareholders did not approve the annual report submitted by the old board of directors.

B. C. Gov't Asks Boost in Silver

From Our Own Correspondent

VANCOUVER.—The British Columbia Government, representing the province that annually produced about half Canada's yield of silver, is urging Ottawa to increase the domestic price of silver to conform with the recent increase in the imported price in the United States.

"Canada's policy regarding the domestic price of silver has not been determined," says Hon. Herbert Anscomb, provincial minister of mines. "Should the price not be raised Canadian silver will go to the United States unless it is placed under control, in which event Canadian producers would be deprived of the higher price."

Increased silver prices would stimulate production of the white metal, especially in the Slocan area. At present an export license is required to ship silver out of the country.

Shawinigan Halts Rural Expansion

Metal needs for war production have brought an interruption to the steady programme of rural electrification which Shawinigan Water & Power Co. has had under way throughout the 35 counties which it serves. The company states that it is determined that this interruption will be temporary and that as soon as the war is over, and sooner if possible, Shawinigan will resume its programme of extending its electrical services to additional agricultural areas within the company's territory.

In the six months ended June 30, 1942, the company had a gross revenue of $12,023,771, against $9,302,412 a year ago. Expenses increased to $4,932,784 from $4,344,092 while depreciation charges were raised to $1,400,000 from $1,000,000. Net profit for the half year, subject to taxes, was left at $3,772,874 compared with $1,928,162 in the first half of 1941.

Provincial Light Heat & Power Co., subsidiary of Montreal Light Heat & Power Co., has drawn by lot for redemption $72,000 of its 5% first mortgage bonds, at a price 105 and accrued interest.

Following redemption of these bonds, the funded debt of the company will be reduced to $77,000. The issue does not mature until Sept. 1, 1946.

North Turner Fails to 'Click'

But Present Work and Deep Test May Brighten Picture

What's ahead for Turner Valley is a question that's getting a great deal of study these days. It is a question that current development and a projected new deep test well may go far to answer.

First of all, it can be stated now that development in the far north end of Turner Valley failed to live up to advance expectations. Perhaps a dozen far north end wells have been temporarily or permanently abandoned leaving current activity chiefly centered around "drillers" immediately north of the present producing area. This immediate area is still considered to possess good possibilities for production and operators hope the area can be extended.

Priddis Significant

Geologists and field men are now wondering if north Turner Valley may have a strike somewhat east or west of the "strike" the past unsuccessful drilling was predicated on. Completion of Major No. 9 well as a producer on the east flank has given some new information and further results, as drilling extends the present northerly limit of the proved field, are being watched for new geological data.

Attention is beginning to focus on the Priddis No. 1 well being put down on what is generally regarded as a structure parallelling Turner Valley. This well is located about 2½ miles east and slightly north of the Ace No. 2 well, one of the north end Turner Valley wells abandoned. The well has confirmed the Jumping Pound Sand and while it is logging perhaps about 1,000 ft. deeper than Atlas No. 3 in Turner Valley, it still is logging 1,000 ft. shallower, geologically speaking, than Ace No. 2.

News that the Bonaventure No. 1 well has resumed drilling two miles north of the proved Turner Valley producing area marks the final conquest of the muddy road problem and taking in of necessary heavy drilling equipment. It was found necessary to construct a corduroy road into the well site as the heavy rains had made the road virtually impassable for anything but light transport units. The Bonaventure well, down 6,365 ft., has confirmed some important markers, and is now making new hole. The well is about four miles south of the abandoned Major No. 10 well. It is northwest of the Northend No. 3 well now drilling also.

Picture Not Clear

What will be the fate of investments in unsuccessful north end wells is not yet known. Where wells were not completed to full contract depth there is apparently still money that might be rebated back. In other cases, underwriters may be committed to put up additional funds, a portion of which may have to be paid over to royalty holders unless the well is carried to contract depth

Various suggestions have been advanced as to what should be done with any remaining available money. It has been suggested that enough might be salvaged at the odd well to put down a well in the cheaply drilled Taber area. It has also been suggested that the money might be used to participate in drilling a well on proved acreage in Turner Valley. In this case, it is suggested some special rights might be accorded people who bought far north end well royalties to assist them in recouping losses.

Some people aren't satisfied as yet that the oil-producing possibilities of the far north end have secured a thorough testing. Well-drilling was abandoned before water was struck, it is pointed out, and while upper formations in far north end wells were much thicker, it is still possible that lower formations might be thinner and production might be secured before water was struck.

Major No. 12 was abandoned around the 9,500-ft. mark, it is pointed out. Geologically, the well may have been logging less than 1,000 ft. deeper than Major No. 7 well. Possibly the well might have secured production around 10,500 or 11,000 ft. if carried that far. The Ace No. 2 well, much farther north, was logging over 1,000 ft. deeper than the Major No. 12 well and the prospect of ever securing oil in that section appears definitely less bright than at Major No. 12.

Well Might Resume

When and as Turner Valley has been extended somewhat farther north than at present, it is possible drilling might be resumed at one of these temporarily abandoned north end wells. Interested parties such as Home Oil might provide the "bottom hole" money to see if there really is any oil there.

The deep test well to penetrate the Devonian limestone underlying the Madison—to be put down on the central west flank of Turner Valley—may have an important bearing on the north end picture. If oil should be found at great depth underlying the present Turner Valley producing area, the whole picture in the north end might look a great deal brighter.

Mining Concentrates

Abbeville Gold Mines has called a special meeting of shareholders for Sept. 11 to approve winding up and voluntary dissolution and appointment of Sun Trust Co. as liquidator. For some time directors have assisted the company by making loans to meet taxes, etc., but they feel they can no longer carry the load.

* * *

Bidgood Kirkland Gold Mines is reported to be milling approximately 130 tons of ore daily with approximately one year's ore ahead. For a time, reserves were little more than a few months' supply for the mill but there has been some improvement during the last year.

* * *

Chromium Mining and Smelting Corp. has called its annual meeting for Sept. 14 in Toronto. Besides its operation at Sault Ste. Marie, Ont., it is engaged in exploration of a manganese property at Batchawana Bay, 25 miles from the Soo, and in opening up two chromite prospects taken over in the Gaspé area recently.

* * *

Cariboo Gold Quartz Mining Co. has declared a dividend of 3 cents a share payable Oct. 1 to shareholders of record Sept. 4. This is a reduction from the previous rate of 4 cents a share quarterly. The current distribution will bring dividends this year to 16 cents a share compared with 24 cents a share last year.

* * *

Donhurd Prospecting Syndicate reports a discovery of scheelite on the optioned property of Upstream Gold Mines, Dasserat Twp., Que., about three miles west of Francoeur Gold Mines. Additional claims have been staked bringing controlled holdings to 16 claims. A surface crew has been at work the last three months and a 100-ft. long showing has been opened up carrying scheelite and gold values.

* * *

Emerald property, located eight miles from Salmo and owned by Iron Mountain Mines, was tested recently for molybdenum but when samples were sent to Victoria, presence of scheelite was noted and government engineers visited the property. Several 100-lb samples are said to have been tested, with good values found. The company plans to install a 100-ton mill as rapidly as possible, it is stated.

* * *

International Nickel Co. of Canada has lost its assistant secretary and assistant treasurer, Harold Clark, who died at his home in Westfield, N.J., on Aug. 25.

* * *

Lucky Boy mine in the Trout Lake area has been found to have scheelite in its ore with additional exploration reported warranted. The property is under option to C. H. Tiller and associates.

* * *

MacLeod-Cockshutt Gold Mines is said to be looking over a scheelite (tungsten) property near Port Arthur.

* * *

Premier Gold Mining Co. is reported to have a crew examining a property north of Ymir on Stewart Creek for tungsten possibilities. The property is owned by E. Hankedahl and three associates. The owners had previously exposed a scheelite showing by open cuts and surface work.

* * *

Reno Gold Mines net current assets as at April 30, 1942, [illegible] $118,527, equal to 6.3 cents a share after distributing 20 cents a share in March. Besides current assets, the company retains an interest in Central Zeballos Gold Mines and other miscellaneous assets.

* * *

San Antonio Gold Mines is reported to have taken an option on a property seven miles east of the San Antonio mine in Manitoba. An investigation for molybdenum is to be carried out.

* * *

Ventures Ltd. has started a programme of diamond drilling on the Greyhound group of claims in the Deadwood camp, two miles from Greenwood, according to despatches from the west coast. The company is said to have optioned an extensive area to be tested for copper possibilities. Drilling was carried out on the property more than 20 years ago and a re-examination of old diamond drill cores is stated to have brought new interest in the ground.

* * *

Zincton Mines, B.C. base metal producer, has been forced to cut its production rate by 30% due to shortage of labor, it was reported at the annual meeting of Sheep Creek Gold Mines, of which Zincton is a subsidiary. Before the cut in production rate, the daily milling rate had been worked up to 300 tons daily and a further increase had been expected. Production was running approximately 1,600 tons of 56% zinc concentrates monthly. Men have been quitting work at Zincton because other new operations are paying higher wages and Zincton is unable to raise its wage rate.

U. S. Paper Output Shows Down Trend

From Our Own Correspondent

MONTREAL.—Paper production in the United States for week ended Aug. 15 was at 79.8% of capacity. This contrasts with 81.6% in the preceding week, and 99% in the week ended Aug. 16, 1941, according to the American Paper and Pulp Association index of paper mill activity.

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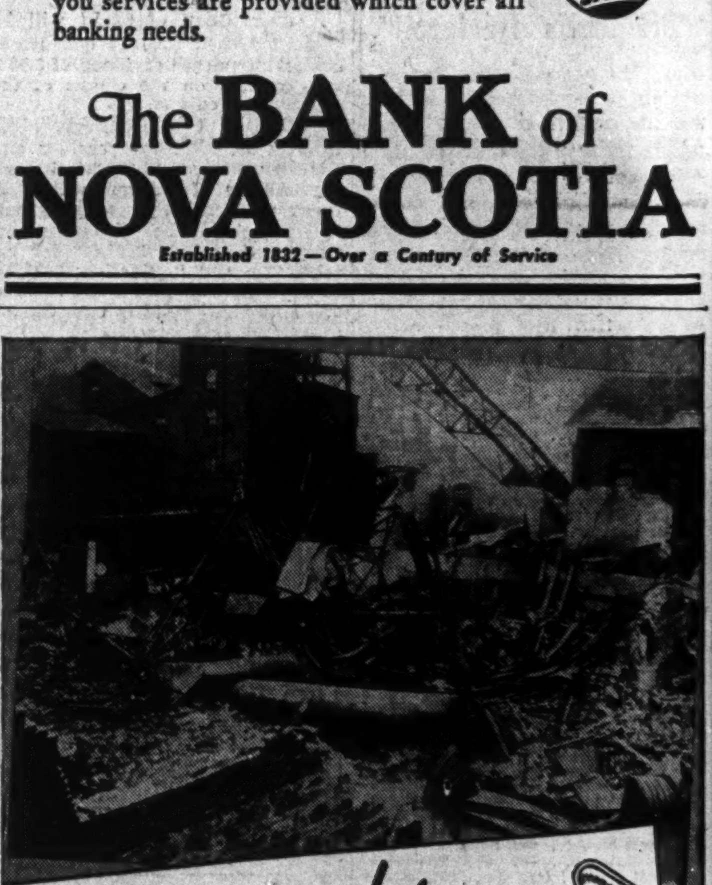

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Chromium's Processes Bring Success

Revenue From Expanding Sales Defrays Part of 100% Expansion Cost

By GORDON M. GRANT

When the late N. A. Timmins and his sons decided to finance Chromium Mining & Smelting Corp. back in 1935, they hoped to develop a profitable producing chromite property. The goal of an important chromite mine has yet to be achieved, but something even more important appears to have been developed — a key metallurgical enterprise based on processes evolved by M. J. Udy, vice-president in charge of research and technology.

Today Chromium M. & S. Corp. has operations established on a commercial, revenue-producing basis.

The initial stages of research, pilot plant experimentation and "selling the market" are all in the past with current income defraying part of the cost of a 100% expansion programme scheduled for completion around the end of the year.

This expansion would have been completed much earlier save for slow equipment deliveries and difficulties in maintaining an adequate construction force. But most of the items of heavy equipment are delivered now and with any luck at all, the management will be producing at the higher rate before the end of the year. All new buildings are completed and readjustment of production lines is the chief remaining item.

Capacity 10% of Consumption

New plant capacities and current production figures are censorable items but it is possible to say this: With the new enlarged capacity, Chromium will be turning out products with a contained metallic chromium content equivalent to 10% of the entire consumption of America in 1941. Operations, as stated, are already on a profitable basis but with enlarged capacity and changes in plant layout and methods completed, the unit margin of profit should move higher.

Chromium M. & S. has developed two general processes which allow it to do what apparently no other company in the world is doing. The management has effectively demonstrated its ability to utilize chrome ores previously thought *too low* grade or too high *in iron content* for practical use. Chromium, indeed, has used nothing else but low grade chrome ore in its operations and for its purposes would just as soon have a nearby source of low grade ore as a distant source of rich ore.

Methods of Wide Significance

With only limited supplies of high grade chrome ore on this continent and the world shipping situation making procurement of supplies from such places as South Africa and Turkey difficult, the Chromium M. & S. methods are of real significance. The basic ideas used have been made available to the National Research Council and have also been disclosed to United Nations authorities.

Details on the working of the Chromium M. & S. processes are of prime metallurgical significance.

The company has two basic beneficiating processes whereby low grade ores can be changed into high grade metallurgical products. One process requires a large quantity of low cost electric power at or close to the low grade ore bodies. Failing this accommodation, the alternative is a roasting and leaching process. It has been demonstrated that either of these processes can be operated at reasonable cost and providing that mining and transportation charges are within limits the utilization of low grade chromite deposits on this continent can be operated economically in normal times.

Why Chromium Method Best

Other emergency processes have been developed in the United States to achieve a similar result but it is not believed they are processes which would be economic in peacetime. In wartime, the U. S. processes have the drawback of using scarce materials. Chromium's beneficiating process uses no strategic materials while the most expensive chemical agent utilized is recycled with 80% recovered each time.

Chief drawback to the use of low grade chrome ores by previous "orthodox" processes was the high iron content. This prevented ferro alloy producers from meeting rigid chromium content specifications for ferro chrome. The use of ferro chrome of a low chromium content results in higher unit cost to the steel producer and requires the addition of a greater bulk of cold ferro chrome to the steel bath.

This meant either a higher consumption of fuel or power or the risk of obtaining a poor quality of iron or steel that would not meet specifications.

Advantages Numerous

The Udy inventions permit the use of low grade chromite ore by supplying other chemicals with the ferro chrome of a low chromium content. These react in contact with hot metal, quickly change the ferro chrome into a molten state with no possibility of chilling the molten steel bath.

Two key processes — one for concentrating low grade "non-commercial" ores and a second for turning out a unique patented chrome product for steel makers — have brought Chromium Mining & Smelting Corp. "out of the red."

The patented product — "Chrom-X" — can be made from low-grade chrome ores; because it becomes molten itself on contact with molten iron, it is now widely sought in making chromium steels. It increases steel production per plant; gives a better control of grade; and allows plants to be used for steel-making never before so used.

The concentrating process is a potential asset whose existence has now been disclosed to the various United Nations. Other similar processes have been developed but Chromium's excels for it uses practically no strategic materials.

The advantages to the iron and steel producers using this material which is called "Chrom-X" are numerous. To begin with there is no change in his regular practice nor does he require any new equipment. By the quick reaction which converts cold ferro chrome in "Chrom-X" to a molten ferro chrome there is an appreciable saving of furnace time, fuel or power. So much so that some consumers state that the time saved in using "Chrom-X" enables them to make one additional heat per week.

Production of both high and low carbon "Chrom-X" commonly known as exothermic (heat-producing) ferrochromium, has resulted in expansion of effective capacities of existing alloy iron and steel-producing plants. It has become possible in some instances, to use plants never before utilized for production of iron and steel.

Helps With Small Pours

When several "pours" of varying chomium grade are desired from the same "heat," "Chrom-X" has other definite advantages. Just the right amount of "Chrom-X" can be added to the ladle into which the iron is poured to give the right chomium content for each "batch." There is no need at all to raise the grade of an entire heat of metal when only a limited production of higher grade may be desired. The "Chrom-X" mixes thoroughly with the poured product and gives an exceptionally uniform finished product. One product resulting from the "Chrom-X" reaction is a sodium silicate slag which has a definite cleansing effect on steel.

In using the "Chrom-X" method of introducing chromium into iron and steel, there is perhaps a saving of 10 to 20% in chromium. First there is a higher recovery of chromium in reduction of the chrome ore. Then there is a smaller loss of chromium when it is introduced into steel by "Chrom-X". The ability to use low grade ores, of course, means a wide expansion in the amount of chromium that can be made available for steel production altogether.

Chrom-X Aids Accuracy

So widely accepted has the company's "Chrom-X" product become that it is impossible to fill the demand even though it commands a premium price compared to ordinary ferro chrome. Even with capacity doubled, it is not expected the demand will be met. Special advantages have been found for "Chrom-X". As each package or carton contains exactly 25 lb. of chromium metal, it is possible to add exactly the amount of chromium metal desired. Ferro chrome, used alternately, may vary in grade as much as 2% and chromium added cannot be judged so accurately.

Chromium M. & S. has now on the market a new product "Sil-X" which is an exothermic ferrosilicon. With "Sil-X" it is silicon which is introduced into the batch of iron or steel. This product replaces several alloys such as 75% and 90% ferrosilicon, one product doing the work of several.

Emphasis on Expansion

While the stage has now been reached where some return is being realized on the large Chromium investment in plant and equipment, it does not appear likely that returns to shareholders will materialize in the near future. That is because future possibilities appear bright and the management will probably want to "plough back" profits. Research has already brought forth a whole series of "X" (exothermic) products which could be placed in production along with high and low carbon "Chrom-X" "Sil-X" and ferro-silicon already being turned out. But further plant is required.

Future plant expansion may be undertaken elsewhere than Sault Ste. Marie.

The economics of the situation may point to further expansion in the United States. Eventually plants may be established in several countries to carry on one or more stages of the process. The whole situation is wrapped up in the effects of tariffs, cost of freight for bringing raw materials and taking finished products to market, cost of power, etc. Sault Ste. Marie has its advantages for certain of the companies products. Britain has become an important customer and could readily absorb the entire production of the Sault Ste. Marie plant.

Stock Piles Ample

In spite of the difficult world situation the company has been able to maintain substantial stock piles of chrome ore. In the yards can be seen ore from South Africa, Greece and Cuba, while the first concentrates from the Benbow property in Montana arrived the other day. Chromium expects to get 50,000 tons of concentrates a year from the Montana property averaging about 42% chromium oxide.

Chromium officials say that splendid co-operation of the steel industry has been of first importance in bringing the enterprise along to its present stage. While the research stage is largely past now, the company is still spending in the neighborhood of $2,000 to $3,000 monthly on further investigations. Improvements are constantly being sought and officials have shown foresight in securing proper patent protection.

The importance of securing a chromite property owned directly by the company is not so great now since the company's processes have been proven successful on a commercial scale. However, the Montana chromite property has large reserves of lower grade ore and properties now being investigated in the Gaspé region might turn out to be a source of better grade ore.

The high grade character of these deposits has already been demonstrated but the volume of ore remains to be determined.

Sales Climb Rapidly

Growth of the Chromium Mining & Smelting enterprise is clearly shown by the rapid rise in sales. In 1940 the company sold approximately seven times as much as in the previous year when operations were just getting under way. In 1941, sales recorded an increase of 112% over 1940.

Expansion in sales is still continuing. Sales from Jan. 1 to June 19, 1942, showed an increase of 30.5% over the figure for Jan. 1 to June 18, 1941. With capacity now being doubled, growth in sales is expected to continue.

Prospectors Wait on Ottawa For Ruling on "New Deal"

Officials of the Ontario Prospectors & Developers Association are continuing their efforts to secure a "new deal" for prospectors — a clearer cut price policy for needed strategic minerals and appointment of a hard-driving production head to secure needed output.

A wire from the association went forward to Munitions Minister Hon. C. D. Howe early this week to determine what conclusions if any have been reached following the conference of association delegates with Minister of Mines Thomas A. Crerar, Deputy Minister of Mines Chas. A. Camsell and Metals Controller G. C. Bateman last week. Pressure of other matters prevented Hon. C. D. Howe reaching the meeting prior to its adjournment, but the other Ottawa officials were to discuss matters with Mr. Howe. Officials stated they felt both Mr. Crerar and Mr. Camsell were impressed with the objectives of the Ontario Prospectors Association.

Integrity Essential

In advocating a hard-driving production head to secure needed strategic minerals, the association states such a man would have to possess a proved record of production; would have to be someone who could command the respect of everyone in the mining industry. The feeling of the officials of the association is that such a production head to cut through red tape and eliminate delays is only second in importance to setting higher prices for strategic minerals. These higher prices are stated to be necessary to encourage the prospector to search for metals in both commercial and submarginal deposits.

The Ontario Prospectors Association does not want the government to advance funds for prospecting, but feels that any production head appointed should be charged with the purchase of minerals produced and the laying down of a price policy which would be known to all.

Adnaron Plans Drill Programme

A programme of diamond drilling, probably using two drills, is planned by Adnaron Prospecting Syndicate for its property in the Rouyn area west of Noranda and Waite Amulet Mines.

Considerable surface work has been carried out on the property recently and the No. 1 mineralized zone has been extended a further 300 ft. where the overburden becomes excessive.

Deepen Old Holes

It is planned to use one drill to deepen previous holes put down to a depth of 500 ft. and stopped in heavy mineralization. One hole is spotted to intersect at 1,000 ft. copper values encountered in hole No. 5 where 20 ft. of core returned 1.90% copper.

The second drill is to be used to probe the overburdened area to the west lying between the Horne fault and the Beauchastel fault.

Arrangements are now being completed for the incorporation of a company to take over the property. Further work will be under the direction of the new company's consulting engineer.

Royalty Cheques Held Up By Tax

Distribution of current oil royalty cheques has been held up pending clarification of exactly how the new tax on royalty revenue will work out.

From indications now available, it appears tax will apply to all net royalties but will only apply to gross royalties in the rare instance where gross royalties were sold to assist financing a well. When the royalty was not thus sold, it is expected there will be no tax.

On net preferred and straight net royalties, tax rate is not to exceed 40%. After allowance for depletion, write-offs for development, etc., it appears that the new tax would reduce the royalty payment by around 15 to 20% on a 500 bbls. a day well.

Royalty dealers say the new tax has caused some liquidation of producing royalties by holders in the higher income tax brackets. Even after taking the personal allowance for depletion under the income tax schedule—now 20%—difficulty is being experienced in making proper allowance for return of capital.

Week in Oils On Page 13

Oil Royalties

Producing Wells — Prices and Payments

	Aug. daily allow. bbls.	July daily allow. bbls.	Apr. pay. 1% $	May pay. 1% $	June pay. 1% $	Paid to June 30 1% $	Dealers offering price† $
Ace No. 1 gross	543	538	242.98	241.82	241.87	2,920.90	8,400
Alta. Oil Inc. No. 1 gr.	80	76	53.20	52.40	48.40	3,395.60	1,500
Do., No. 1 net	80	76	44.40	42.00	39.60	3,916.40	1,100
Do., No. 2 gr.	522	518	229.20	252.80	234.80	5,169.60	8,800
Do., No. 2 net	522	518	208.80	231.60	213.60	5,190.60	6,500
Allied No. 1 pfd.	100	100	44.63	42.88	45.84	575.53	1,800
Arrow No. 1 net	150	156	77.20	78.00	70.00	1,285.60	1,900
Do., No. 2 net	190	196	76.40	94.00	80.00	1,218.20	2,400
Atlas No. 1 net pfd.	110	120	8.80	35.60	62.40	106.80	1,700
Atlas-Br. D. No. 2 pfd.	676	699	....	466.80	416.00	882.80	9,300
D. & D. net pfd.	75	75	34.40	36.40	32.40	1,893.40	1,200
East Crest No. 5	135	125	....	....	69.20	69.20	2,000
Independent No. 1 p.	225	235	150.65	148.99	133.92	1,602.79	3,700
Do., No. 1 gr.	225	235	107.84	107.09	97.75	1,670.90	....
Major Oil No. 1 pfd.	121	129	74.00	77.60	61.60	442.00	1,700
Do., No. 1 gr.	121	129	71.60	72.40	60.80	1,315.40	2,000
Do., No. 2 pfd.	604	623	446.80	430.40	376.40	3,447.80	7,100
Do., No. 2 gr.	604	623	334.40	331.20	286.40	4,550.00	....
Do., No. 2 dfd.	604	623	....	....	....	......	7,000
Do., No. 3 net	835	840	549.20	534.00	476.80	4,672.40	9,100
Do., No. 3 gr.	835	840	408.00	396.00	373.20	4,127.60	....
Do., No. 4 pfd.	268	304	384.40	325.20	292.40	1,512.80	4,800
Do., No. 4 gr.	268	304	276.40	248.00	218.80	1,842.80	5,800
Do., No. 7 pfd.	649	...	....	....	....	......	7,900
Do., No. 7 gr.	649	...	....	....	....	......	9,000
Do., No. 8 pfd.	...	...	....	....	....	......	....
Do., No. 8 gr.	...	...	....	....	....	......	....
Do., No. 9 gr.	488	400	....	....	45.20	45.20	7,500
Do., No. 9 pfd.	488	400	....	....	....	......	5,300
Miracle No. 1 pfd. net	400	453	456.48	414.82	155.36	4,047.41	5,300
Do., No. 1 gr.	400	453	316.47	296.21	273.68	3,800.08	7,500
Do., No. 2 pfd.	272	280	78.69	239.30	260.91	578.90	4,300
Do., No. 2 gr.	272	...	....	....	196.94	196.94	5,300
Renown No. 1 pfd.	100	...	....	....	46.55	46.56	1,600
Winalta No. 1 pfd.	83	86	54.40	72.00	41.20	3,300.30	1,000

†Approximately 20% below dealer's bid prices usually.

Drilling Wells — Prices and Depths

	Drilling depth ft.	Offering price per 1%
Atlas Br. Dom., No. 3 p	6,627	*\$4,375
Bonaventure, pfd.	6,365	3,400
Major Oil, No. 6 pfd.	6,362	6,400
Major Oil, No. 6 gr.	6,362	7,800
Miracle, No. 3 pfd.	5,872	4,800
Miracle No. 3 gr.	5,872	6,400
Northclon., No. 1 pfd.	5,690	4,800
Northclon., No. 1 dfd.	5,690	2,200
Northclon., No. 1 gr.	5,690	6,300
Northend, No. 1 pfd.	8,190	5,000
Northend, No. 1 dfd.	8,190	2,000
Northend, No. 1 gr.	8,190	5,600
Northend, No. 2 pfd.	6,450	4,300
Northend, No. 2 gr.	6,450	5,400
Northend, No. 3 pfd.	5,795	3,500
Northend, No. 3 gr.	5,795	6,300
New Ranchmen's, pfd.	1,050	*3,200
Empire, pfd. (Ont.)†	....	*1,100
Hi-Test Pete., pfd.†	....	*3,600
Kinsella Ltd.†	....	*2,100

* Pegged Price. † Acreage royalty.

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Are You Paying Too Little or Too Much?

The businessman faces new tax problems — how to calculate company taxation? . . . What items of revenue are taxable and what are exempt? . . . What is the proper amount to pay?

To answer these questions and many others involved in today's complicated tax set-up, The Financial Post asked Molyneux L. Gordon, to contribute a series of articles dealing with the Income Tax with special attention to its application to business.

The author has long been recognized as a leading legal authority on tax questions, his officially-published books being considered an invaluable contribution to the subject. His new series on Income Tax will appear exclusively in The Financial Post.

What is the Proper Tax for Your Business to Pay?

SOME OF THE PROBLEMS:

. . . How to get all the exemptions to which you are entitled.
. . . How to protect your savings for your heirs.
. . . How to start a new business so it will not always be overpaying taxes.
. . . How the "small business" enterprise should be established.
. . . How to keep records that will help you pay your taxes properly.
. . . How to handle real estate.
. . . How to pay taxes on "lucky breaks" or fortuitous income.
. . . How to compute the Excess Profits Tax.

TAX FEATURE STARTS SEPT. 26

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On the Home Front

Salvation Army Opens Drive

Seeks Funds For Home Front Activities

This month, in a nation-wide drive, Canadians will be asked to contribute funds for the support of the work of the Salvation Army in Canada.

War work of the Salvation Army, the "Sally Ann," in soldiers' language, is financed by the Dominion Government.

But the Salvation Army is, of course, carrying on vital services on the home front and these activities require the financial support of the Canadian people as in years past.

It is through the usual activities of the Salvation Army that the preliminary organization of the war work takes place in training of personnel for war services and so forth.

To do this, the Salvation Army has taken 163 officers from its regular ranks, off their usual assignments, and assigned them full-time to the armed forces. Practically all remaining officers in Canadian territory in some way find present day home front duties linked with war work.

On the home front here are some of the things the Salvation Army does:

1. Work of the Salvation Army in restoring to usefulness in society those who have been convicted of crime is outstanding. The cost of their maintenance and rehabilitation during this period is borne by the Army, relieving the taxpayer of that expense.

2. Men and women too old to work or incapable of earning a living are taken care of in homes in different parts of the country, again relieving the taxpayer.

3. Homes for unmarried mothers and homeless children are maintained, relieving the state of much work and expense in their care.

4. All kinds of material otherwise going to waste is salvaged, mended and repaired or turned to account in some way. This gives work to many people who would otherwise be workless and also saves large quantities of material.

5. It maintains 14 hospitals in Canada. In the last year 27,880 patients were admitted. Outdoor clinics are conducted at four of these hospitals. Each year many nurses are graduated who go out to do valuable social work among the people at large.

Sponsored by Businessmen

Accordingly, during its 60 years of operation in Canada, the Army has gained the support of responsible citizens right across the country. Evidence of this is found in the list of men who have given the support of their names to both the local campaigns in different communities and to the national organizations. In each large centre an advisory board operates.

Financial Affairs

The financial affairs of the organization are no secret. Its books are regularly audited and its statements available to the public.

The organization has prepared for The Financial Post a statement of its income and expenditures for the year ended Sept. 30, 1941.

THE SALVATION ARMY
"Home Front"—Peacetime Activities
Year Ended Sept. 30, 1941
(Last complete audited statement)

	$
Income:	
Contributed by the public for all purposes — including amount allocated from National Campaign for "Home Front"	517,994
Disbursements:	
Maintenance of 55 social institutions (including children's homes, emergency and rescue homes for girls, maternity homes, men's shelters and food depots, hostels for homeless men and eventide homes for aged men and women, relief of distress—food, clothing, fuel, etc., to needy families; police court and prison work, league of mercy and fresh air camps	162,498
Character building activities (youth groups, scouts, guides, cubs and young people's bands) and training personnel	26,661
Grants-in-aid toward maintenance of 297 centres from which is carried on investigation of relief cases, visitation of the sick and needy and evangelistic work	217,522
National administration — including salaries, rent, printing, stationery, postage, telegrams, travelling, etc., and allowances to retired officers—less contributions from district centres, corps and institutions	82,165
Maintenance of 77 Canadian missionary officers serving in foreign lands	31,121
	519,968

Although a large part of its work consists of personal service such as visiting the sick and needy, rehabilitation of men and women, etc., administration costs are less than 16% of the amount of money of the total expenditures.

The appeal to the public for funds is being made on the ground of public service rendered and the need of maintaining the regular activities of the organization at home as a base for the wartime work of the organization.

Nova Scotia Apple Board Building New Plant

From Our Own Correspondent

MONTREAL.—Nova Scotia Apple Marketing Board, Kentville, has entered into a contract for an apple plant to be built at Port Williams.

The plant which marks the first co-operative enterprise ever undertaken by the entire body of Annapolis Valley apple growers, will have a capacity of 750 barrels a day.

Montreal Stock Exchange and Montreal Curb Market report dividends paid on stocks traded totalled $6,019,907 during August. This contrasts with $5,893,258 in August a year ago. For the past eight months, dividends totalled $143.6 millions, a decrease of $4.8 millions over the same period in 1941.

Plan New U. S. Lumber Deal to Adjust Supplies

New Export Restrictions Announced Pending New Agreement — B. C. and U. S. Mills Share in Limited Wood Supply

From Our Own Correspondent

VANCOUVER.—Canada and the United States are expected to reach a new agreement in the near future concerning the export of hemlock logs from British Columbia, which has been a controversial issue for several years and particularly during the past few months.

In 1941 British Columbia exported about 150 million board feet of hemlock logs. Although there is technically an embargo on all logs it is actually applied only on Douglas fir; on hemlock the Timber Controller has been exercising his right to grant special permits and this has been done quite frequently recently.

British Columbia pulp and paper mills, however, have been strongly opposed to the policy of allowing exports at a time when the domestic supply of raw material is inadequate. Powell River Co., largest newsprint manufacturer on the coast, has been curtailing production this summer because of the log shortage, yet pulp logs have been moving across the border to Puget Sound mills at the rate of more than 10 million ft. a month.

International Problem

On the other hand, the Timber Control has been under considerable pressure from Washington on the ground that American northwest pulp mills are just as short of logs as Canadian and that they are manufacturing largely for lend-lease anyway and should be given equal consideration. The American operators also point out that the United States is shipping steel, sulphur, chloride and other materials into Canada for the use of pulp mills regardless of short supply in their own country, and that this is no time for Canada to curtail the export of much needed logs to American mills.

The situation has been a difficult one for the Timber Control, which has recently been forced to clamp down on exports of lumber and shingles to the United States because of critical shortages in Canada and the United Kingdom. The Timber Control is in a spot where it cannot move in either direction without encountering strong opposition and severe criticism, and the fact that its problem is international makes it doubly complicated.

Meet in Washington

Timber Controller A. H. Nicholson, accompanied by D. D. Rosenberry, his assistant on the west coast, went to Washington last week with a view to straightening things out, finding out from Donald Nelson's War Production Board what sort of an agreement might be mutually satisfactory.

When the conference was over both sides expressed satisfaction. The belief on the coast is that while British Columbia loggers will continue to ship hemlock to the United States, a more definite quota will be fixed so that Canadian pulp and paper mills will have a better idea of the available supply from month to month.

Meantime the Timber Control has been obliged to tighten the screws on supply of British Columbia lumber to the United States. Under the new quota system adopted the United Kingdom will be entitled to 40% of the total production and shipments and the Canadian market to 35%. The balance of 25% may be shared between the United States and the British dominions overseas. The latter is a slight increase over the quota announced a week previous, which allotted the United States and British dominions only 20%, but it is only about half the allocation of a few months ago when the American market was absorbing upwards of 50% of all lumber produced in British Columbia.

An even more drastic reduction has been imposed on the shingle industry of British Columbia, which used to sell about 85 to 90% of its entire output in the United States and must now keep its American sales down to 50% of the total.

In both instances, the restriction on American business represents a substantial dollar loss to the B.C. mill operators as U.S. price ceilings are higher than Canadian and payment has been made in U.S. funds.

Public Utility Earnings

Mexican Light & Power
May

	1942 $	1941 $
Gross earnings	934,484	756,555
Oper. expenses	646,126	613,188
Net earnings	288,358	143,367
Five Months Ended May		
Gross earnings	4,742,776	3,672,118
Net earnings	1,638,326	651,689

Jamaica Public Service
July

	1942 $	1941 $
Oper. revenues	130,703	101,924
Gross inc. after retirement reserve accruals	38,702	27,265
Net income	[illegible]	[illegible]

New Income Tax Rulings Issued for Employers

Provision in the new income tax regulations, requiring income taxes to be deducted from employees' wages or salaries at the source, has raised many problems for employers.

Especially is this so where special circumstances exist, such as where both husband and wife are earning a taxable income, where an employee is working for more than one employer, where employee's remuneration is on a basis other than a straight salary or wage.

Rulings on and interpretation of the new legislation are in course of preparation.

One thing that income tax officials are emphasizing is that deductions for income tax should not exceed the 90% specified in the regulations. It is believed that if this amount is exceeded, the taxpayer, at the end of the year might find he had paid too much tax, and would require a refund with embarrassment to both taxpayer and the department.

The Financial Post has obtained rulings on some of the questions that have presented themselves to employers as follows:

Soldier's Wife

Where the wife of a man in the ranks of the armed forces is earning a taxable income, what is her status and what deductions is she allowed for taxation purposes? Can she deduct her husband's life insurance premiums from her compulsory savings?

She is to be regarded as a single person, but can claim deductions for dependent children from the amount of tax payable. She is not allowed to deduct her husband's life insurance premiums.

• • •

Men on Commission

We have a number of salesmen who have a drawing account and are paid on a commission basis. What deductions do we make for income tax?

None. It is understood in cases such as this that the employer has no responsibility as regards income tax deductions. It is entirely up to the employee himself to pay his tax.

• • •

Temporary Employees

When employees are engaged on a purely temporary basis does the employer deduct income tax and at what rate?

Yes. The employer must deduct income tax at the rate prescribed in the table of deductions prepared by the government.

• • •

Earnings Under $660

Every summer my firm employs a number of high school students. They work only during the summer holidays, and possibly at Christmas and Easter. We know their income will not exceed $660 in the year. Do we deduct any tax from them?

No. If you are satisfied they will not earn more than $660 on the year it is not necessary to deduct income tax in their cases.

• • •

Buying Company Stock

In our firm a number of older employees are buying stock in the company on the basis of 10% each year. Are these payments recognized as a substitute for compulsory savings?

They may be. It all depends on the type of contract made by the employee with the employer or owner of the stock. If the contract demands that payments be made each year and provides a penalty in case payment is not made, resulting in a loss to the buyer, he can claim such payments as a saving.

• • •

Payments on House

Where an employee is buying a house, should he be allowed as a saving the down payment he makes provided it is made this year on a contract in force prior to June 23? Where the mortgage has been in effect some time and he has been paying a certain amount of principal off each year, can he increase the amount of the principal payment to qualify as a saving?

Down payments on a house are not allowed as a saving. Principal payments deductible from taxes as approved savings must be the amount stated in the contract. If the contract allows for a maximum and minimum yearly payment, and it is proposed after making minimum payments in the past to make the maximum payment this year, it would be as well to submit the whole circumstances to the income tax authorities.

• • •

Fluctuating Earnings

In one department of our company, earnings fluctuate considerably from week to week or month to month. One week a man might make $15 and the next week make $65. On what basis would we make his deductions?

It is understood that for the balance of this year it would be satisfactory to the income tax authorities if you would take the average weekly earnings for 1942 to Sept. 1 which are known. Deduct income taxes for the balance of 1942 on this average weekly basis. Then after Jan 1, 1943, when the actual earnings for 1942 are known, weekly deductions can be adjusted to clear the balance due in the next eight months.

• • •

Executives' Profits

What is the situation where some of the executives in a company share in profits? How is the income tax deducted from the profit part of the income?

The amendment to the Act, requiring the employer to collect the income tax at the source, specifically states that deductions will be made from salary or wages. It is understood that bonuses or profits are not included. Accordingly the employer makes no deductions from bonuses or shares of profits for income tax.

• • •

Two Employers

What happens when a taxpayer works for more than one employer? For instance, cases are known of men working for one employer in daytime and for another after regular hours. How are their income taxes collected?

In cases such as this, income tax should be deducted in each place where the taxpawer works, on the scale of wages by which he is paid.

Canadian Car & Foundry Co. has undertaken the construction of a new repair shop at its Amherst, N.S., plant. The contract has been placed with Rhodes Curry Co. and the work is proceeding steadily with the excavation and foundation work well under way.

The new repair shop will accommodate some 300 men, but the number employed will depend largely on the increase in the plane-repairing business.

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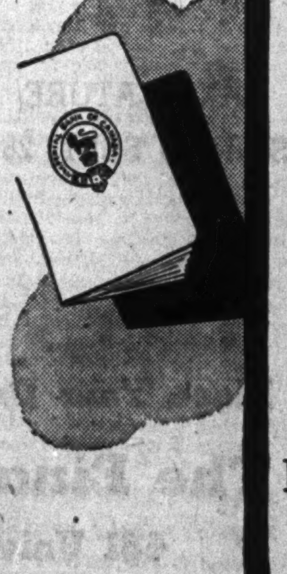

● Be prepared! Be prepared for any eventuality. Common prudence is a virtue more in demand today than ever before. Line yourself up with the war effort for this is prudent as well as patriotic.

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